

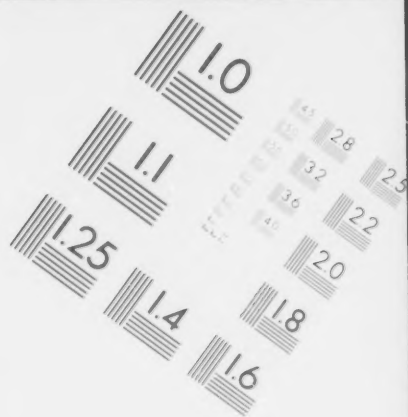
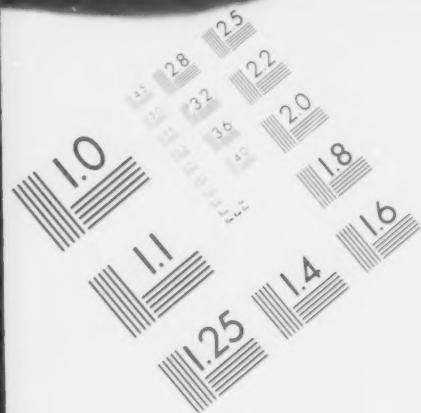
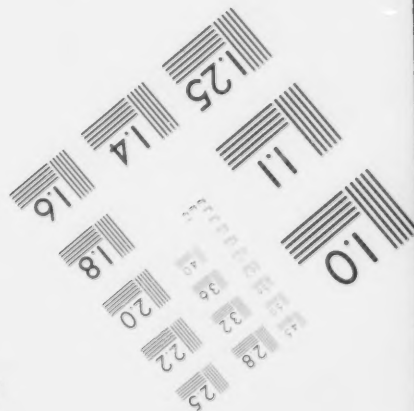
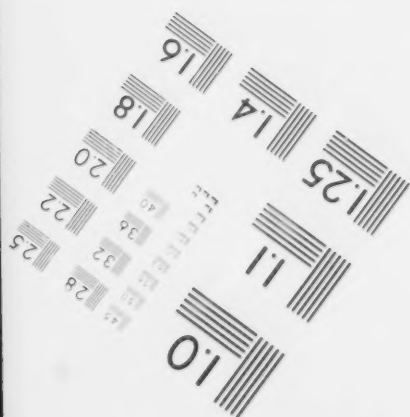
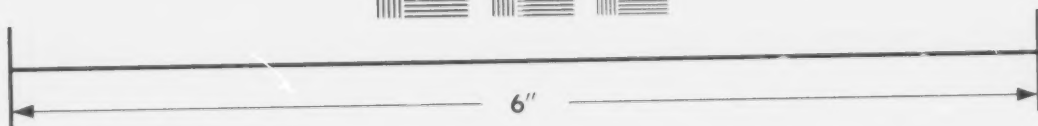
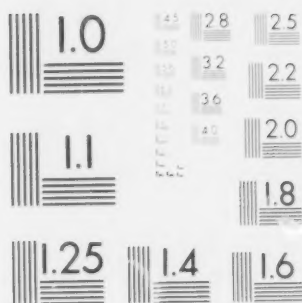


IMAGE EVALUATION TEST TARGET (MT-3)



Photographic
Sciences
Corporation

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

Latin America

FBIS-LAT-94-205
Monday
24 October 1994

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

Latin America

FBIS-LAT-94-205

CONTENTS

24 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

CARIBBEAN

Cuba

Alarcon Discusses U.S. Talks, Infiltration	1
Views 'Responsibility' for Infiltration [Havana Radio]	1
Says Emigrants' Return To Be Voluntary [PRENSA LATINA]	1
Notes 'Contradiction' in U.S. Policy [Havana Radio]	1
Interviewed on Migration Talks [Havana Radio]	2
Comments on U.S. Delegation [Madrid EFE]	2
Comments on Agenda [Havana Radio]	3
Deputy Minister Rejects 'Any Rapprochement' With U.S. [NOTIMEX]	3
General Claims U.S. Increased Surveillance of Cuba [PRENSA LATINA]	3
Commentator Finds U.S. Talks Process 'Encouraging' [Havana Radio]	4
Official Views 'Aggressive' U.S. Broadcasts [Havana Radio]	5
Diplomat Appointed to UN Position [Havana Radio]	6
Castro Meets Provincial Government Leaders [Havana TV]	6
Examines Results of New Market Measures [PRENSA LATINA]	6
ANPP on Proposals of International Organizations [PRENSA LATINA]	7
Robaina, Alarcon Address Session [Havana TV]	7
Guard Rewarded for Thwarting 'Infiltrators' [Havana Radio]	8
FAR Leadership Evaluates Effects of Laws 18, 20 [Havana TV]	8
Defense System Schedules Villa Clara Tank Maneuvers [Havana Radio]	9
Sugar Industry Minister Announces Bonus Program [Havana Radio]	9

Haiti

Radio Reports Michel Tipped To Replace Prime Minister [Port-au-Prince Radio]	9
Chamber of Deputies President Views Aristide Return [Port-au-Prince Radio]	9
Chamber of Commerce Backs Aristide Call for Peace [Port-au-Prince Radio]	10
U.S. Troops Haul Over 20 Arrested for Looting [Port-au-Prince Radio]	10
Minister, Mayor Praise Marines for Repairing School [Port-au-Prince Radio]	10
UN Envoy Arrives for Visit, To Meet Aristide [AFP]	10
Service Stations Reopen With Fuel 20 Oct [Port-au-Prince Radio]	11

MEXICO

Oaxaca Governor Sends Protest Note to California's Wilson [NOTIMEX]	12
Human Rights Ombudsman Criticizes Treatment of Migrants [LA JORNADA 21 Oct]	12
Masons Letter Opposes Proposition 187 [LA JORNADA 19 Oct]	12
Column: Salinas Possibly Losing Bid To Head WTO [EL FINANCIERO 19 Oct]	14
Marcos Speaks To Democratic Convention [LA JORNADA 16 Oct]	15
Reviews Situation in Country [LA JORNADA 21 Oct]	18
Ruiz Pleased With Government Response To Talks Plan [Mexico City TV]	21
PRI Demands Dismissal of Chiapas Mediator; Deputies Cited [LA JORNADA 20 Oct]	21

CENTRAL AMERICA

Costa Rica

U.S. Citizen Arrested; To Be Extradited to Peru [ACAN]	22
--	----

El Salvador

Assembly To Ask Reno To Extend Permits of Salvadorans [LA PRENSA GRAFICA 21 Oct]	22
--	----

Guatemala

President Discusses Peace Talks, Development [Guatemala City TV]	22
--	----

Honduras

Foreign Minister Discusses Relations With Cuba [Tegucigalpa Radio]	26
--	----

Nicaragua

1995 Budget Aims To Promote Investment, Reduce Poverty [LA PRENSA 19 Oct]	27
Presidency Minister Comments [Managua Radio]	27

Panama

President Lifts Economic Sanctions on Haiti [LA PRENSA 22 Oct]	30
Cedras Reports to Immigration; To Stay at Least 1 Year [LA PRENSA 21 Oct]	30
Asylum Status Conditional [LA PRENSA 22 Oct]	30
Ex-Guatemalan President Serrano Returns [LA PRENSA 21 Oct]	31
President on Party Discontent Over Jobs [LA PRENSA 20 Oct]	31

SOUTH AMERICA

Argentina

Country Wins Case Against Chile on Disputed Land [AFP]	33
Menem Comments on Ruling [TELAM]	33
Bomb Explodes at Post Office Garage; No Casualties [NOTICIAS ARGENTINAS]	33

Bolivia

Text of Telecommunications Draft Bill [HOY 10, 11 Sep]	33
Roundup of Economic Reports [PRESENCIA 16 Sep., etc.]	38

Brazil

Cardoso May Accompany Franco to Americas Summit [Madrid EFE]	39
Cardoso To Begin Working at Alvorada Palace 28 Oct [AGENCIA ESTADO]	39
Insights Into Personality, Role of Ruth Cardoso [VEJA 21 Sep]	40
Foreign Minister Hails EC Decision on Free Trade [GAZETA MERCANTIL 20 Oct]	45
PMDB Meets, Views Strategy for New Administration [O ESTADO DE SAO PAULO 20 Oct]	46
PMDB Plans To Occupy Senate, Chamber Presidency Noted [O ESTADO DE SAO PAULO 20 Oct]	46
Justice Minister: No Intervention in Rio Planned [Brasilia Radio]	47
Government Plan for Single Basic Basket Rejected [Brasilia Radio]	47
IBGE Projects 1994 Industrial Growth of 7 Percent [GAZETA MERCANTIL 12 Sep]	47
Provisional Measure Defines Antidumping Duties [GAZETA MERCANTIL 15 Sep]	49
Petrobras Profits Total \$509 Million in July [GAZETA MERCANTIL 15 Sep]	51
Oil Production Sets New Record in August [GAZETA MERCANTIL 16-18 Sep]	51
Petrobras Discovers New Reserves in Amazon [GAZETA MERCANTIL 31 Aug]	51

Chile

Government 'Will Comply' With Laguna del Desierto Ruling [Madrid EFE]	52
Mexico Abolishes Surtax on Imports of Chilean Fish Meal [Madrid EFE]	52
Labor Minister Interviewed on Miners' Conflict [Santiago TV]	53
Inflation, Government Spending Figures Analyzed [EL MERCURIO 22 Sep]	54
Telephone Multicarrier System 'Complete Success' [EL MERCURIO 25 Sep]	55

Colombia

Suspected Guerrillas Bomb Supermarket; 1 Injured [AFP]	55
Mormon Churches Bombed [Hamburg DPA]	55
ELN Claims Attack on Senator, Threatens More Attacks [Santa Fe de Bogota TV]	55
Parliamentarians Remark on Drug Trafficking Talks in U.S. [Santa Fe de Bogota TV]	56
Document Details Structure of Valle del Cauca Cartels [EL ESPECTADOR 18 Oct]	56
Samper Not To Restrict Media Coverage on Crime [Santa Fe de Bogota TV]	57
First Issue of New Newspaper Goes Into Circulation [EL TIEMPO 21 Oct]	57
Administration's Social Program Critiqued [EL ESPECTADOR 18 Sep]	57

Ecuador

Congress Censures, Dismisses Energy Minister [Madrid EFE]	58
Legislators Satisfied With Censure [Quito Radio]	59
Minister: Congress Violated Procedures [Quito Radio]	59
Official: Legislature's Power Must Be Cut [AFP]	59
President: Congress Blocks Constitutional Reform [Quito Radio]	59
Poll Reveals Expectations of New Congress [HOY 4 Sep]	60

Peru

Higuchi Reiterates Charges of Election Fraud [Lima TV]	60
JNE Head Details Registration Irregularities [Lima TV]	61
Official on Money Laundering Control Proposals [EL COMERCIO 10 Oct]	61

Uruguay

Lacalle Discusses Achievements, Prospects [EL PAIS 13 Oct]	62
Presidential Candidate Tabare Vazquez Interviewed [EL PAIS 15 Oct]	63
National Party Leads Polls; Broad Front Support Up [Montevideo Radio]	64
National Party's Increasing Popularity Reported [BRECHIA 7 Oct]	64
Public Deficit Rises to 2.7 Percent of GDP [EL OBSERVADOR ECONOMICO 8 Oct]	64

Venezuela

Minister Denies Moratorium on Payment of Debt [NOTIMEX]	65
Protesting Students in Maracaibo Burn Bus [Caracas Radio]	65
Defense Minister on Violent Incidents [EL UNIVERSAL 19 Oct]	65
Discloses Latest Information [Caracas Radio]	67
Interior Minister Remarks on Security [Caracas TV]	67
Executive Branch Requests More Security Funding [EL GLOBO 19 Oct]	70
Congress Seeking Increased Security Funds [Caracas Radio]	70
Caldera Issues Warning to Bolivarian Movement's Chavez [AFP]	71
Chavez Denounces Plot To 'Annihilate' MBR-200 [EL NACIONAL 21 Oct]	71
Public Reaction to Price Controls Noted [EL UNIVERSAL 24 Sep]	72
Price Controls Affect Poultry Industry [EL UNIVERSAL 19 Sep]	72
Mortgage Law Change Creates Floating Interest Rate [Caracas TV]	73

Suriname

'Mistrust' Seen Between Defense Minister, Army Chief [Rotterdam NRC HANDELSBLAD 19 Oct]	73
President Accused of 'Dictatorial Behavior' [Amsterdam DE VOLKSKRANT 21 Oct]	73

Cuba

Alarcon Discusses U.S. Talks, Infiltration

Views 'Responsibility' for Infiltration

FL2110160894 Havana Radio Rebelde Network in Spanish 1255 GMT 21 Oct 94

[From the "Doing Radio" program]

[FBIS Translated Text] [Cavada] Yesterday, in the conversation that Barbara Betancourt and I held with the head of the Cuban delegation to the talks between Cuba and the United States, which are to take place next Monday, 24 October, here in Havana City, the issue of the infiltrators—who arrived in northern Villa Clara Province last week and caused the loss of one valorous Cuban's life—and how this could hinder, cloud, or catalyze these talks was broached. This is Dr. Alarcon's opinion:

[Begin Alarcon recording] The group that openly admits being behind this incident is a group that exists in the United States. They have an office in Miami. They have publicly announced that they undergo training in the Everglades. The people that were captured are U.S. residents, they have telephone numbers, addresses, and jobs in the United States. They are integrated in U.S. society. They are for that... [rephrases] therefore, there is a responsibility on the part of the authorities for the conduct of these people. These people have violated U.S. laws, specifically, the Neutrality Act. This is an old U.S. law which prohibits doing such things. Nevertheless, these people were able to train, purchase a great number of firearms, and depart from Florida to Cuba with the purpose of causing harm, death, and destruction in Cuba. Their purpose implicitly carries with it the violation of U.S. laws. [end recording]

Says Emigrants' Return To Be Voluntary

PA2110223694 Havana PRENSA LATINA in Spanish 1538 GMT 21 Oct 94

[FBIS Translated Text] Havana, 21 Oct (PL)—Ricardo Alarcon, chief of the delegation to the migration talks with the United States, said today that the return of illegal Cuban emigrants confined on U.S. bases will be slow and voluntary.

Alarcon told Radio Rebelde that these contacts has been made with the U.S. Interests Section in this capital to coordinate the transfer of Cubans who wish to return.

He pointed out that this is a slow process with its own rhythm because those people have clearly expressed their will to leave for the United States.

The Cuban Interior Ministry reported that the number of Cubans arriving in the national territory rose to 122 between 10 September and 7 October.

Most of them returned through the mine field surrounding the U.S. base in Guantanamo. Of those who escaped the U.S. military installation, two died and one lost a leg.

In keeping with an agreement signed with Washington on 9 September which allowed the voluntary return of those wishing to do so, 17 Cuban citizens returned by plane 12 days ago.

Alarcon noted the need to carry out a rational and humane effort to ensure the return of those confined in U.S. camps and their normal incorporation into society, an effort that requires preparatory work.

He recalled that the two states have the obligation to prevent illegal transfers to stop the smuggling of people and acts of terrorism and violence such as those which occurred early last Saturday [15 October] in Caibarien, Villa Clara Province.

The chief of the negotiating team and president of the legislature advanced that this issue on the agenda will be examined here next Monday by Cuban and U.S. diplomats. He pointed out that the Caribbean island will attend this meeting having strictly complied with commitments specified in the signed agreements.

In recent statements to AGENCIA DE INFORMACION NACIONAL (AIN), Alarcon lamented that Washington has not yet begun to issue visas to Cubans interested in emigrating to the United States.

They are still involved in organizational aspects such as the hiring of personnel to do the processing, Alarcon added.

The Havana negotiations will also serve to verify the implementation of the agreements 45 days after their signing, the National Assembly president stated.

Notes 'Contradiction' in U.S. Policy

FL2110210494 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] Cuban and U.S. delegations will evaluate compliance with September's migration accord in Havana City on 24 October. The United States has said that the migration issue is the only thing to be debated: Cuban authorities have said that this and all other bilateral issues have to do with the blockade. Ricardo Alarcon de Quesada, head of Cuba's delegation to the talks, spoke with correspondent Roberto Cavada Barrera:

[Begin Alarcon recording] The real solution to this problem or to any other aspect of the disagreements between Cuba and the United States can only be resolved permanently if the basic problem is resolved first. The basic problem is aggressive U.S. policy against Cuba and, as part of that policy, the political, economic,

and financial blockade. How can you pretend to normalize the situation with Cuba and see the problem in the same manner as you do relations with Mexico, Colombia, and other countries? The first thing that should be removed is that poisonous element, namely the manipulation and utilization of the migration issue for political and destabilizing purposes. This includes the propaganda against Cuba, the radio broadcasts aimed at Cuba, the so-called Radio Marti, an official U.S. Government station with broadcasts aimed at Cuba. That station has broadcast reports criticizing the 9 September accord. This is a contradiction. U.S. taxpayers are paying for that station. That station is sponsored by the U.S. Government. That station is broadcasting propaganda against an important and positive accord for the U.S. Government. This is one example of a contradiction with that policy, which has yet to shed all the prejudice and all the dead weight of the hostility against Cuba. This proves just how much the migration issue involves other issues. Think now of the legal immigrants. How can you travel...[pauses] How can you immigrate if not by traveling? Immigration involves means of transportation, it involves a plane, a plane ticket, communications with the country to which you will travel, movement of money to purchase the ticket, and other things. It is not just granting or not granting a visa. Granting a visa involves a series of steps that must inevitably be taken. Those other steps are related to the general issue of the blockade. How can someone imagine that the number of visas is going to increase, without having an increase in the number of flights between Cuba and the United States? That is going to clash with the decisions they have made. That is one aspect, just one element, but if you continue to analyze this you see that, in general, the partial aspects of the disagreements are related to each other. It is an issue that is related to communications, money transfers, mail, transport, and to all other things that are affected by the blockade. [end recording]

Interviewed on Migration Talks

PA2210030094 Havana Radio Havana Cuba in Spanish
0100 GMT 22 Oct 94

["Exclusive" interview with Ricardo Alarcon, head of the Cuban delegation to the migration talks with the United States, by Roberto Cabala of Radio Rebelde and an unidentified reporter; place and date not given; from the "Evening Information Review" newscast]

[FBIS Translated Text] [Alarcon] The U.S. delegation should arrive on Monday, 24 October, and I hope we will hold the first meeting that afternoon [words indistinct] will arrive on Tuesday, 25 October. As was agreed upon in a joint communique issued on 9 September, we will analyze the implementation of that communique, of the agreement [words indistinct]. It is clear that Cuba has complied fully with the commitments [words indistinct]. From the very moment the agreement was signed on 9 September, we began to take persuasive measures to

reduce and finally to eliminate the so-called mass exodus phenomenon; that is, the attempt by individuals to leave for the United States without following normal migration procedures. The North Americans recognized this long ago.

We have also complied with our commitment to facilitate the work of the U.S. Interests Section in Havana to allow it to comply with its commitments [words indistinct]. How? By facilitating the trip to Cuba of officials they have sent. All of them have received visas quickly. Everyone who has filed requests [word indistinct] is already in Havana, and they know they can count on our cooperation in this regard. We have established adequate conditions to ensure that Monday's meeting will be held properly.

[Reporter] The 9 September agreement included the acceptance or processing of voluntary repatriations. In fact, a plane arrived from Guantanamo Naval Base more than one week ago with 17 Cubans aboard. This is in compliance with the agreement. Has there been another flight? Is there anything more (?specific) in this regard?

[Alarcon] There was a second flight, and we are in contact with the Interests Section to deal with the case of other Cubans who will return voluntarily from Guantanamo Base. This process continues; a process that must necessarily be slow and have its own rhythm. We should not forget that these people clearly expressed their will to leave for the United States. Something happened that prevented them from achieving their (?goal). The United States changed its policy [words indistinct] the agreement specifies the possibility that these people may return to Cuba voluntarily.

We aspire to carry this out in a reasonable, humane, and rational manner; that is, that these people may return and be able to incorporate themselves normally into society. Logically, this requires some preparation. Of course, we must also ensure that these people want to return home voluntarily. [passage indistinct]

[Cabala] [Words indistinct] and also talk a little about what happened in these 45 years after the signing of the agreement [words indistinct]?

[Alarcon] [passage indistinct] There is no real increase in the issuance of visas. They continue to issue visas at about the same rate as prior to the agreement. I do not think this suggests a lack of willingness to comply with the agreement [passage indistinct].

Comments on U.S. Delegation

PA2310204694 Madrid EFE in Spanish 1830 GMT
23 Oct 94

[Report by Marisol Marin]

[FBIS Translated Excerpt] [passage omitted] Ricardo Alarcon did not attribute any significance to the change in the U.S. delegation, which instead of being headed by

Michael Skol, assistant under secretary of state for Inter-American Affairs, will be headed by Dennys Hays, coordinator of Cuban Affairs at the State Department.

Alarcon said that "each government chooses its own representatives. The level of the talks is not lowered. Two governments meet and each one is free to choose its representative, but this does not change the nature of the meeting."

The continuation of these meetings, however, "does not contribute new elements" to the relations between Cuba and the United States, according to Foreign Minister Roberto Robaina.

"There are no new elements, there are no other negotiation tables. Nothing is being secretly discussed. Only migration talks are being held and we are going to evaluate how both sides have fulfilled the agreement within the established time period," Robaina said in statements to the media last night.

Comments on Agenda

PA2410032994 Havana Radio Havana Cuba in Spanish
0000 GMT 24 Oct 94

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Beginning 24 October in Havana, Cuba and the United States will discuss the progress of the immigration treaty signed on 9 September in New York. The U.S. Government committed itself in that treaty to granting a minimum of 20,000 visas annually to Cubans wanting to travel to that country.

Ricardo Alarcon, head of the Cuban delegation and president of the Cuban parliament, has said Cuba will state its concern at this round of talks over actions out of White House control, such as the recent infiltration of seven armed men from Miami who murdered an amateur Cuban fisherman in Caibarien, Villaclara Province.

Alarcon has said Cuba is keeping in touch with the U.S. Interests Section to coordinate the return to the island of Cubans who have immigrated illegally and were taken by the United States to U.S. military bases in Guantanamo and Panama. This process, he has said, is slow and voluntary.

Alarcon has expressed regret over the fact the U.S. Government has not begun issuing the visas stipulated in the agreement while Cuba has thoroughly complied with its commitments.

Meanwhile, Cuban Foreign Minister Roberto Robaina has said in a statement to the media in Havana that an analysis will be made as of Monday [24 October] of how each side is fulfilling the immigration agreement. He has denied there are parallel negotiations on Cuban-U.S. relations.

Deputy Minister Rejects 'Any Rapprochement' With U.S.

PA2210031494 Mexico City NOTIMEX in Spanish
2348 GMT 21 Oct 94

[FBIS Translated Excerpt] Havana, 21 Oct (NOTIMEX)—Cuban Deputy Foreign Minister Isabel Allende today rejected the possibility of "any rapprochement" with the United States. She said, however, that "normal relations" between the two governments are possible.

During a meeting with NOTIMEX writers and editors in Havana, Allende ruled out "any rapprochement" between Washington and Havana.

Nevertheless, she pointed out that the bilateral immigration talks, which will resume in Havana on Monday [24 October], "are a sign to the world that normal relations with the United States are possible."

Officials of the U.S. Interests Section in Havana have said that "there will be no future rapprochement" with Cuba, although delegates of the two governments will sit down together for the second time in one and a half months to discuss immigration relations.

Allende expressed Cuba's willingness to discuss with the United States subjects other than immigration but said that President William Clinton's administration is not prepared to discuss anything else. [passage omitted]

Only immigration-related problems will be discussed on Monday, but Cuba "expects to negotiate everything, in particular the economic embargo," Allende said, answering questions from members of NOTIMEX's central editorial office who are in Havana on visit. [passage omitted]

The Cuban delegation will be headed by Ricardo Alarcon, president of the National Assembly of the People's Power (legislature), and the U.S. delegation by Dennis Hays, director of the U.S. Office of Cuban Affairs.

General Claims U.S. Increased Surveillance of Cuba

PA2210195494 Havana PRENSA LATINA in Spanish
1634 GMT 22 Oct 94

[FBIS Translated Text] Havana, 22 Oct (PL)—The United States redoubled its surveillance on Cuban targets during its military intervention in Haiti, despite the high cost of moving high-technology equipment, Division General Jesus Bermudez Cutino said today.

The high-ranking official, an expert in military intelligence topics, said that the weekly [words indistinct] revealed some measures adopted by the United States to prevent presumed bellicose actions by the Revolutionary Armed Forces [FAR] of Cuba.

According to the weekly, "River Joint" [previous two words in English] RC-135 strategic reconnaissance planes

gathered intelligence on Haitian and Cuban military activities, Bermudez Cutino stated in an article published by the Cuban newspaper GRANMA.

"Senior U.S. officials were told that measures had been taken to prevent the FAR from reaching a high state of alert or conducting aggressive military actions during the intervention in Haiti," he added.

Who could have told these know-it-alls that Cuba would consider aggressive actions if its territory is not violated, the specialist wondered. Bermudez has occupied high positions in the FAR and the Interior Ministry.

Cuban troops were not actually engaging in aggressive military actions, despite the fact that the United States kept an extremely dangerous force—which included powerful weapons—only a few kilometers from our territory, Bermudez explained.

Among them, he listed two aircraft carriers—the Eisenhower and the America—the multipurpose WASP amphibious assault vessel with some 1,800 marines on board, and the LCC-20 command ship.

There were 1,000 members of the renowned 82d Airborne Division deployed on the Great Inagua Island—slightly toward the north of the country near the eastern provinces, the general pointed out.

In short, we had nearly 17,000 U.S. military troops deployed almost on our doorstep along with those harmless vessels, Bermudez emphasized.

These were not, however, the only protective measures adopted in light of the presumed risk of an action by the FAR. A total of 24 F-15 highly-sophisticated aircraft were transferred from the Eglin Air Force Base (Florida) toward Roosevelt Roads (Puerto Rico) along with nine KC-135 tanker airplanes.

According to specialized publications, the RC-135 plane is capable of picking up the enemy's communications and other radio electronic transmissions from several hundred kilometers and transmit this information to data-gathering centers on ground in relatively short intervals, the author noted.

Such a deployment is amazing considering that a one-hour flight in this contraption costs \$12,000 and that Haiti does not have a military force. The answer to these maneuvers was given by Colonel William Looney, who noted: "It would be easier to justify the expense than to explain how a MIG could come between the C-130 and the C-141 and destroy a plane filled with paratroopers."

Bermudez Cutino concluded that this shows that Cuba remains a priority for U.S. contingency plans in the area.

Commentator Finds U.S. Talks Process 'Encouraging'

FL2210030494 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Oct 94

[Commentary by Marina Melendez; from the "Exclusive" program]

[FBIS Translated Text] The second round of U.S.-Cuban immigration talks will begin in Havana this month. The process itself is encouraging, since it seeks to normalize the nations' migratory relations. The accords signed on 9 September—during the first round of talks, in New York—prove that both sides are committed, despite the fact that the United States refusing to discuss an issue as vital as the blockade hinders the ability to come up with truly in-depth solutions. This round of talks, a follow-up to the first round, will evaluate fulfillment of the accords.

Michael Skol, head of the U.S. delegation in September, will not participate this time. Yet, he recently told Miami's NUEVO HERALD that immigration will be the only issue up for discussion. Joseph Sullivan, chief of the U.S. Interests Section in Havana, made similar comments recently. Therefore, it is unlikely that the problem will be discussed in depth this time. The roots of this conflict are clearly economic, the result of the more than 30-year-old blockade. However, the simple fact that the talks are taking place and that ways are being sought to meet the wishes of Cubans who want to move to the United States is positive.

While some might consider the month that has passed since the September talks not enough time to properly evaluate fulfillment of the accords, some things are clear at first glance. Cuba has firmly fulfilled the accord and ended the mass exodus of illegal emigrants that started in August. Cubans who had hoped to move to the United States have proved receptive, welcoming the accords and avoiding regretful incidents. However, the people who have been going to the Interests Section to request visas suggest that the United States is not in any particular hurry to meet its pledge of issuing at least 20,000 visas annually.

A U.S. Government spokeswoman revealed the expected plan to [words indistinct] on 11 October, by announcing that refugee status criteria will be expanded, previous denials will be reviewed, and the immediate issuance of visas will be established for the unmarried children of Cubans who have emigration visas in good standing or have been given refugee status. It seems that all that is left is for U.S. authorities to establish the necessary infrastructure.

Meanwhile, other outstanding issues are likely to be discussed on 24 October the future of Cuban rafters held on the Guantanamo Naval Base and at camps in the Panama Canal Zone for one. Although their status was not defined at the September meeting, U.S. officials recently unilaterally affirmed that they must return to Cuba and apply through the new emigration visa program. It is logical, ethical, and a sign of respect to seek the Cuban Government's opinions in this matter. These opinions will be expressed and heard at this meeting. We now must wait.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Official Views 'Aggressive' U.S. Broadcasts

FL2110133494 Havana Radio Progreso Network in Spanish 1200 GMT 19 Oct 94

[Interview with Carlos Martinez, director of radio-electronic frequencies for the Ministry of Communications, by correspondent Jose Mayo; place and date not given—live or recorded]

[FBIS Translated Text] [Mayo] Even though the United States presents itself as the main defender of international laws, its unreasonable practice of radio aggression towards Cuba demonstrates its hypocritical nature because it is a flagrant violator of international telecommunications laws.

Despite opposition by the international community to Washington's aggressive policy towards Havana via the electromagnetic spectrum, the United States ignores such opposition and openly flaunts international laws.

On the issue of the violation of international laws by the United States with its radio aggression on Cuba we will hear from Engineer Carlos Martinez, director of radio-electronic frequencies of the Ministry of Communication, as part of a series of interviews on this issue.

Martinez, how does the United States violate international laws with its anti-Cuban radio broadcasts?

[Martinez] I should begin by saying that at the international level, as a specialized body of the United Nations, there is the International Union of Telecommunication which is in charge of regulating the different telecommunication services worldwide. Within this office there is an office of radio-communication with its regulations concerning the electromagnetic frequency spectrum.

These agreements are of course observed by the more than 180 members of the union. Since the electromagnetic spectrum is a resource that does not recognize boundaries, strict compliance with the established dispositions is vital. One could understand that if these international laws were not kept, the situation with telecommunications and specifically radio communications at the world level would become chaotic. Therefore, this regulation creates a compatibility between the interests of all the nations of the member countries in the use of the frequencies of the electromagnetic spectrum.

Within this spectrum and within the services of telecommunications, I am going to refer specifically to the services of radio broadcasts, which is defined as radio transmissions aimed at the public in general. There are many other services such as microwaves, radio satellites. But the radio broadcast service is unique in that it is received by the population in general.

In this type of service there are two variants, one being domestic radio broadcasts. This is the type that is only used and is recognized as national radio broadcasts within the borders of a nation. In this case we have mediumwave, FM, and television signals—VHF and

UHF. These three services are regulated by article No. 2666 for radio communication, which establishes that these signals should be used only within national borders and that the power of transmitters should only be enough to cover the territory within national borders.

Another consideration are international broadcasts. These are established as a way to transmit from one country to another. Here transmission use is determined by frequency bands established by the regulations which also establish the mechanism of coordination for all countries that use these bands. Otherwise, there would simply be incompatibility when two countries try to broadcast to one country and the signal would not be received.

Therefore, when we talk about radio broadcasts and the United States' violation of international laws, we must understand these terms. With regard to Radio Marti broadcasts, for example, they are a clear violation of regulation No. 2666 because this transmitter station located in Marathon in South Florida has its antennas aimed toward Cuban national territory.

As a matter of fact it is a service that cannot be heard by the U.S. people, since it is a U.S. radio broadcast for abroad. It is a gross violation of this principle, a violation we have denounced on several opportunities. They simply interpret the regulations as they wish. They have never been able to prove to the international telecommunications community that this use of mediumwaves to transmit abroad is not a violation of sovereignty under the radio communications regulations.

[Mayo] Martinez, how has the international organization for telecommunications reacted to the violation of its regulations by the United States?

[Martinez] The United States avoid discussion of the problem. They know very well that in the international telecommunications community it is very difficult to defend this activity. They simply make brief statements that they do not interpret the regulations in the same manner and that the office of radio communications is simply mistaken.

It is incredible that they have reached that level of blatancy. It would almost seem that in the whole world only the United States of America interprets the international regulations correctly. But they always avoid the discussion of these topics in meetings because they know they are not right and because everyone that is there knows full well what we are talking about.

When we bring this up in these meetings, what we point out is that this could happen to any other country. Today it is Cuba; and this concept of a nation, as powerful as it may be, transmitting on mediumwave and television to a neighboring country is a very bad example in the international radio communications community. It is simply unacceptable and we are sure that that is why they make these declarations and why they avoid a confrontation with Cuba on the subject.

[Mayo] What does the Cuban Government do to defend the national sovereignty in the electromagnetic spectrum in the face of the radio aggression by the United States?

[Martinez] As I was just explaining, we have denounced this situation at the general conference, which is the highest ranking body of the union. The truth is that the union as such has the obligation of insisting that U.S. authorities end this practice, because this, as I see it, tarnishes the image of an organization that is established for cooperation between countries, for peaceful relations between countries. If there are no agreements and relations then it is simply anarchy in the way that they operate.

This is a problem that we have discussed many times and that has been expressed in the international events of the International Telecommunications Union. The things that are heard here from the counterrevolutionary stations in Miami are amazing! I am sure that one day they will declare a state of war against this country. It is incredible!

Now, we also have transmitted to the United States. That is the truth, based on the same principle: If you transmit on mediumwave and I will transmit on mediumwave. As a matter of fact we have discussed this problem with them. You want to transmit to Cuba? Fine, but we, too, want to transmit to the United States. Then they say: No, do not transmit to the United States because it interferes with our stations. Then we say: Don't yours interfere with Cuban stations? In other words when they transmit it is free flowing information and when we transmit over there it is interference. We cannot discuss this issue like this. We cannot discuss the matter that way, but we have done it.

As a matter of fact we have discussed this issue with them and they know very well that we have transmitted on mediumwave. It is a basic sovereign right of this country to defend itself. They know very well that we have the means and that we can transmit on mediumwave to the United States. Not like Radio Marti. We have never reached that level. The situation is not the same, but we have made radio transmissions to U.S. territory.

I see no alternative than to see this as part of the group of issues that must be analyzed regarding relations between Cuba and the United States. At a determined moment we have even talked about it. There is no other way out except for a more sensible attitude by U.S. authorities in this sphere; towards Cuba in general, but specifically in this area of telecommunications. I do not see it separate from the context of problems that currently exist between Cuba and the United States.

[Mayo] You have been listening to an interview with Engineer Carlos Martinez, director of radio-electronic frequencies of the Ministry of Communications, who spoke on the issue of the violation of international laws

by the United States with its radio aggression towards Cuba as part of a series of interviews on the matter.

Diplomat Appointed to UN Position

FL2110153194 Havana Radio Rebelde Network in Spanish 1255 GMT 21 Oct 94

[From the "Doing Radio" program]

[FBIS Translated Text] Cuban diplomat Even Fontaine Ortiz has been designated executive secretary of the United Nation's office of common inspection system [dependencia comun de inspeccion del system de la ONU] by General Secretary Butrus Butrus-Ghali. Since its creation in 1945, this is the highest-ranking professional post in the UN Secretariat.

Castro Meets Provincial Government Leaders

FL2410023094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1800 GMT 23 Oct 94

[From the "NTV Sunday Supplement" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro participated this past week in a meeting of presidents of the People's Government Provincial Assemblies in Havana's Convention Palace.

The organization and opening of the farmers' markets were among the issues discussed during the meeting.

Examines Results of New Market Measures

PA2110184894 Havana PRENSA LATINA in Spanish 1657 GMT 20 Oct 94

[FBIS Translated Text] Havana, 20 Oct (PL)—The newspaper GRANMA today reported that President Fidel Castro and provincial government chiefs have examined the results of the first agricultural and livestock open markets.

The new form of marketing agricultural products, in which the demand determines prices without state mediation, has resulted in the sale of 164,913 quintals of products for 61,865,600 pesos, which generated 5,070,500 pesos in taxes.

A lengthy article of the Communist Party's newspaper reports that the Cuban president and delegates of provincial people's governments (local governments) pointed out the government's participation at the side of the private sector in this sales variant.

With regard to prices, the meeting participants said that although the cost of some products is still high, especially that of pork, there are signs that prices are going down, except in the capital where prices are above the national average.

In this regard, the Cuban leader denied that it is the presence of government authorities that brings prices down. He said: It is the supplies that bring prices down.

He added: Enterprises and cooperatives would hardly go to the market to sell at low prices.

Many Basic Cooperative Production Units [UBPC] and other entities are subsidized by the state and now, with these sales, they will ease the state expenditure burden, he said.

The UBPC's have many debts with the state because the state transferred equipment, animals, and other means to them when they were created.

Following the installation of the market on 1 October, the volume of market participation has been growing.

The sellers are: the state agricultural and livestock sector, seven percent; the UBPC, five percent; the Agricultural and Livestock Cooperatives [CPA], six percent; and the Youth Labor Army, one percent.

The Credits and Services Cooperatives, 10 percent; state self-supply organizations, two percent; and individual (independent) producers, 49 percent, among others.

The leaders recalled that the opening of these establishments does not mean that government commitment to guarantee a minimum of quotas for social consumption has ended. Agriculture Minister Alfredo Jordan said his office is working hard to enforce compliance with what has been agreed with producers.

Regarding taxes and ways to attract private farmers to the market, the Cuban president cautioned about granting the peasants additional privileges to promote individual participation.

Such steps, he said, could be contradictory to the conditions set for UBPC, or CPA, or sugarcane cooperatives, which are currently working on the sugar harvest.

Finance Minister Jose Luis Rodriguez and Domestic Trade Minister Manuel Vila Sosa have said that the tax (an average of 8 percent on supplies and prices declared by consumers) functions as a price-regulation mechanism.

Another issue discussed was the future convention of municipal and provincial people's assemblies, which according to delegates constitute a means for exchanging opinions in the search for solutions in the community.

Jaime Crombet, vice president of the parliament, has announced that the construction of low-cost housing and other economic and legislative projects are issues that have been included on the agenda for discussion by the assemblies.

Other participants at the debate were Carlos Lage, secretary of the Executive Committee of the Council of Ministers; Orlando Lugo, president of the National Association of Small Farmers; and other government officials.

ANPP on Proposals of International Organizations

PA2410002594 Havana PRENSA LATINA in Spanish 1854 GMT 22 Oct 94

[FBIS Translated Text] Havana, 22 Oct (PL)—The National Assembly of the People's Government [ANPP] held open hearings today to listen to the opinions of specialists, government officials, and deputies on the political conditions international organizations and certain governments have proposed to Cuba.

During a special session open to domestic and foreign reporters, the ANPP Foreign Relations Commission began its discussions on the issue, which is of obvious significance for the island and the international community, within which the Caribbean nation develops.

ANPP President Ricardo Alarcon and Foreign Minister Roberto Robaina presided over the meeting. The committee also invited representatives of several specialized study centers of the Communist Party of Cuba.

During the morning session, Eloy Valdes, director of the Center for European Studies, analyzed Cuban relations with the EU [European Union] and the position of the European Parliament. He said the survival of the Cuban political process and the growing rejection of the U.S. trade and economic embargo are instrumental, as influential elements in the current development of these relations.

Esteban Morales, director of the Center for U.S. Studies, said it would be useless and dangerous for Cuba to bend to Washington's political conditions or to those of other governments, as their final objective is the termination of the Revolution.

He said there will be repercussions for the United States and its policies if Cuba manages to survive with an independent model of its own. Morales said the U.S. intentions to continue pressuring the Caribbean island are evident, while it seeks agreements on minor issues and upholds its refusal to negotiate with the political leaders of the revolution.

Luis Suarez, director of the Center for American Studies, said the political conditions for the alleged return of Cuba to the so-called international community do not imply a democratic or an international revolution but, rather, a defeated revolution.

A total of 11 deputies and guests followed and offered their ideas and comments on the issue, as requested by Committee Chairman Jorge Lezcano.

Robaina, Alarcon Address Session

FL2410013994 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 23 Oct 94

[From the "NTV" newscast; passages in quotation marks recorded]

[FBIS Translated Text] The Foreign Relations Commission of the National Assembly of the People's Government [ANPP] held an extended meeting at the Havana Convention Center on 23 October. Dozens of members, academics, and officials participated and discussed the role and possibilities of foreign policy toward perfecting democracy in Cuban society. Foreign Minister Roberto Robaina spoke at the meeting.

[Robaina] "I do not believe it is useful or healthy for the ANPP, the Ministry of Foreign Relations [Minrex], the nongovernmental organizations, and individual members of parliament to all say exactly the same thing. Not only is this not useful, it also lacks credibility, because I do not believe their views are exactly the same."

Many voices denounced the pressures that intend to condition the end of the harassment against Cuba, particularly the blockade, in exchange for substantial changes in Cuba's socioeconomic system, which would be detrimental to our sovereignty. At the same time, participants underscored the importance and style of today's debate.

[Unidentified speaker] "This is precisely a democratic exercise, which begins with this first meeting. We also expect to continue with these meetings."

[Second unidentified speaker] "I believe we need to continue on this path of debate."

[Third unidentified speaker] "I think the main issue is the way in which Cuban foreign policy currently faces challenges, not in a defensive way, but creating a more offensive, affirmative foreign policy."

[Fourth unidentified speaker] "It also demonstrates that the exchange of diverse ideas with the same goal is conducive to coherence, to a political policy."

Lazaro Barredo, vice president of the Commission, stated that this meeting is part of the steps taken to make the ANPP work style more dynamic.

[Barredo] "There is already a pledge to change the work style, to achieve a more dynamic and profound style, to discuss not only topics related to foreign policy through Minrex, the Communist Party of Cuba [PCC], or academics, but also issues that are also conducive to debate, such as living conditions."

Jorge Lezcano was elected chairman of the Commission on Foreign Relations of the ANPP. Ricardo Alarcon, president of the ANPP pointed out that the United States has always tried to determine conditions on Cuba.

[Alarcon] "Conditioning is nothing new to Cubans. It is not an invention by a contemporary political wave. It has been the Cuban fate to learn how to confront an incomparably more powerful neighbor, whose goal has always been to deny the same existence to the Cuban nation."

A diversity of opinions regarding methods for viewing the Cuban situation was clear during the debate.

[Fifth unidentified speaker] "What we are doing today is only a sample of what is done daily by the ANPP permanent commissions."

[Sixth unidentified speaker] "It would be worthwhile to extend this approach to all ANPP commissions, and in the particular, the Foreign Relations Commission, which should become a permanent commission."

[Seventh unidentified speaker] "U.S. policy toward Cuba is not the central focus of our foreign policy, which is much broader. However, the issue has been preponderant during this debate, because of the continuous confrontation with the United States for so many years."

The meeting's participants insisted on stressing the rejection of the U.S. blockade and its negative effect on the Cuban people, but without accepting preconditions to lift that blockade.

Guard Rewarded for Thwarting 'Infiltrators'

FL2110154594 Havana Radio Rebelde Network in Spanish GMT 94

[From the "Doing Radio" program]

[FBIS Translated Text] The young night watchmen who bravely confronted a group of infiltrators in the area of Caibarien just days ago, has been decorated with the Interior Ministry's distinguished service award. This young man, Juan Jose Perez Luna, thwarted the group's attempt to steal a truck from the area that he was guarding. Perez informed the press that what he had done was nothing extraordinary because any Cuban that thinks of his country, will not allow murderers like these to endanger the lives of our children and our people.

FAR Leadership Evaluates Effects of Laws 18, 20

FL2210032194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] The Revolutionary Armed Forces [FAR] leadership has discussed the achievements and failures linked to Laws 18 and 20, which were implemented 15 years ago. Cuban soldiers before 1979 could not immediately enter Cuban universities following military service: Thousands of young, capable people did not have access to higher education. However, FAR Ministry Law 20 changed that situation. A total of 15 years later, over 16,000 students from the FAR have graduated, 10,000 more are taking classes, and still 36,000 more have gone through military prep schools.

Nevertheless, the numbers cannot hide the facts: Only 23 percent of those entering universities through Law 18 graduate.

A meeting to assess results took place in Santiago de Cuba, with the participation of high officials of the FAR and the Interior Ministry; the culture, education, and higher education ministers; university presidents; professionals; and aspiring recruits. Division General Ulises Rosales del Toro, FAR first vice minister, noted some of the system's deficiencies:

[Begin Rosales recording] Program content, extended courses, the need to treat students who enroll through Law 18 differently, teaching methods, the professional training of teachers, assignments given to graduate students...[sentence unfinished as heard] [end recording]

Recruits stressed the need to reevaluate the admissions process:

[Begin unidentified student recording] If the FAR Ministry gives us a chance, then we cannot let those who are working improperly, who are lying, who are responsible for Cuba's problems through their lies to our leaders, to prevent those who could be professionals...[sentence unfinished as heard] [end recording]

Soldiers will be provided with more information in the future. Each unit will adopt a just selection process. There will be more teacher training in military prep schools. Those who are admitted will be given individual attention.

Nobody can deny the benefits of Laws 18 and 20, despite this critical evaluation.

Defense System Schedules Villa Clara Tank Maneuvers

FL2210164994 Havana Radio Reloj Network in Spanish 1506 GMT 22 Oct 94

[FBIS Translated Text] The territorial defense system's Armored-94 (Blindado-94) exercise will take place next Monday [24 October] in Villa Clara Province. The exercise will be directed by the president of the provincial defense council. Its main objective is to conduct command and control training in repelling a mock enemy aggression, both under blockade and under regular wear and tear conditions.

Sugar Industry Minister Announces Bonus Program

FL2110153494 Havana Radio Progreso Network in Spanish 1200 GMT 21 Oct 94

[From the "First Thing" program]

[FBIS Translated Text] Politburo member Nelson Torres, the sugar industry minister, announced that a special bonus program has been approved by the state for workers who are to participate in the upcoming harvest and who obtain good results. Workers who meet their goals may obtain a series of products every month at the sugar mills and municipalities stores.

Haiti

Radio Reports Michel Tipped To Replace Prime Minister

FL2410131694 Port-au-Prince Signal FM Radio in French 1030 GMT 24 Oct 94

[FBIS Translated Text] President Aristide considers appointing a businessman prime minister. Reliable sources have told AFP that Smarck Michel, the president's close friend, is tipped to replace resigning Prime Minister Robert Malval. President Aristide had considered appointing another close friend: Foreign Minister Claudette Werleigh. Port-au-Prince political circles believed Werleigh, 48, to be the favorite to replace Malval. Smarck Michel, who runs a food import business, served briefly as commerce minister in the Rene Preval government under Aristide in 1991. Haitian political circles have also mentioned the name of Finance Minister Marie-Michele Rey. Chamber of Deputies President Frantz Robert Monde told the press last week that the Aristide government's prime minister would be named this week.

Chamber of Deputies President Views Aristide Return

FL2110224394 Port-au-Prince Radio Metropole in French 1600 GMT 21 Oct 94

[Interview with Chamber of Deputies President Frantz Robert Monde by correspondent Edner Jean in Port-au-Prince; date not given; first paragraph announcer-read introduction—recorded]

[FBIS Translated Text] President Aristide has met Chamber of Deputies President Frantz Robert Monde at the National Palace. Monde insists that Aristide is a different man after returning from exile. This meeting is one in a series of meetings that the Haitian president will have to help reach national reconciliation. Edner Jean interviewed Monde:

[Monde] I have an advantage: I tell Aristide the truth every time I meet him. We have even discussed the chicken and the egg. We laugh about it. He even cites Beaulieu: Let us erase the past and start anew. I find the president very sensitive to economic problems, development, microprojects, the fight against corruption, reconciliation among the Haitian family, unity within the bourgeoisie, a better understanding of the mentality of the majority that he represents. Haiti has finally made the grade: Haitians can now sit at the same table with their president and initiate a frank and democratic dialogue.

[Jean] Did this meeting have anything to do with choosing a prime minister? Was the issue even raised?

[Monde] It was mentioned in passing. He would like a moderate prime minister, who can bring antagonistic sectors together. He would like a prime minister who can

help create a centrist majority within Parliament. He would like a prime minister who is aware of the current problems and who can initiate dialogue with all sectors. President Aristide has a unique sense of humor: He confessed that he would prefer a woman. Although we did not discuss that, he did tell me that he continues to meet with the concerned parties and could decide next week.

[Jean] The Chamber of Deputies has been paralyzed for a week, with rumors circulating that you will be dismissed from office.

[Monde] The dismissal...[pauses] I am a democrat. If they reach a quorum of 54 deputies and vote to dismiss, then I will leave office as a democrat and will return to the assembly to continue democratic dialogue. However, they know that it is not easy. They know that the office is strong and that those who favor the change of office have personal and political interests. You know that we are at a very difficult juncture. The president must choose a prime minister, in consultation with the two chamber presidents. Thus, some would like to be in the powerful position of influencing the president's decision. [end recording]

Chamber of Commerce Backs Aristide Call for Peace

FL2110214394 Port-au-Prince Radio Metropole in French 1045 GMT 21 Oct 94

[FBIS Translated Text] The Haitian Chamber of Commerce and Industry [CCIH] has reacted to President Jean-Bertrand Aristide's call for calm, peace, and national reconciliation as part of a state of law. The CCIH reacted positively in its press release, convinced that only such a climate is favorable to investment and the creation of jobs, which is eventually at the heart of the crisis. However, the CCIH regrets and condemns recent cases of looting, uprooting, and illicit occupation of lands and wants authorities to take urgent measures to prevent misdemeanors that have created a certain insecurity which is unfavorable to the pursued purpose. National reconciliation and the union of all the country's sons constitute the obligatory way to recover lost dignity.

U.S. Troops Hand Over 20 Arrested for Looting

FL2110222494 Port-au-Prince Radio Metropole in French 1045 GMT 21 Oct 94

[FBIS Translated Excerpt] Calm is slowly returning to Port-au-Prince and the rest of the country, following several days of violence, vengeance, and looting. The U.S. military has begun to hand over to the Haitian Justice Department those people who have been arrested since Operation Uphold Democracy began on 19 September. About 20 of the people who U.S. soldiers arrested over the past few weeks appeared in court on 20 October, including those accused of looting or those presumed to be attaches. Jean-Max Blanc reports:

[Blanc, in Creole] Not one of the people U.S. soldiers arrested and accused of looting has pleaded guilty. About 20 people, including one woman, appeared in the public prosecutor's office in Port-au-Prince on 20 October to plead innocent. They say that U.S. soldiers arrested them by mistake. Some said they were just walking by, while others said that U.S. soldiers asked them to lie on the ground. [passage omitted]

A Sanyo Center employee said that U.S. soldiers found store merchandise in the hands of some of these people. The employee does not know if the prisoners are the only ones who participated in the act but admits that the behavior of some of those people is not normal. [passage omitted]

The accused are angry and insist that they have done nothing to deserve being imprisoned. Upon learning that the judge overseeing the case was not present at the time, they warned that they will stop at nothing and will even fight Haitian and U.S. soldiers for their freedom. [passage omitted]

Port-au-Prince Mayor Evans Paul and many other citizens have pointed a finger at a well-known group of people—namely, government supporters—after several acts of looting in Port-au-Prince. President Aristide has admitted at a news conference that some people carrying electric lamps unlocked gates, while others used trucks to carry articles away.

Minister, Mayor Praise Marines for Repairing School

FL2110214494 Port-au-Prince Tropic FM in Creole 1200 GMT 21 Oct 94

[FBIS Translated Excerpt] Important personalities visited Petion High School on 20 October to praise U.S. Marines for repairing the dilapidated school. The personalities included: U.S. Ambassador to Haiti William Lacy Swing, National Education Minister Victor Benoit, and Port-au-Prince Mayor Evans Paul. Swing congratulated the Marines on repairing the high school. [passage omitted]

UN Envoy Arrives for Visit, To Meet Aristide

PA2410004694 Paris AFP in Spanish 2355 GMT 23 Oct 94

[FBIS Translated Text] Port-au-Prince, 23 Oct (AFP)—Algerian national Lakhdar Brahimi, special UN representative to Haiti, arrived in Port-au-Prince this Sunday for a six-day visit, the first since being appointed to office.

Upon arrival, Brahimi, who is accompanied by Maurice Baril, military adviser to UN Secretary General Butrus Butrus-Ghali, said his presence is due to a wish to establish an "initial, personal contact with the government." He also expressed his optimism over the restoration of democracy in the Caribbean nation.

The special representative will meet with President Jean-Bertrand Aristide the morning of 24 October. During his

stay, he will also meet with government officials as well as representatives of the various sectors of Haitian society.

Service Stations Reopen With Fuel 20 Oct

FL2110214594 Port-au-Prince Radio Metropole in French 1045 GMT 21 Oct 94

[FBIS Translated Text] Haitian motorists can once again fill their tanks at service stations, one year after the UN

imposed the oil embargo. The first oil tanker arrived in Port-au-Prince on 19 October and unloaded its shipment into Shell tanks. The products have already been delivered to some service stations, which reopened on 20 October. Fuel returning to the service stations means that transportation nationwide will return to normal. Commercial fuel sales will allow people to travel between cities once again.

Oaxaca Governor Sends Protest Note to California's Wilson*PA2210005494 Mexico City NOTIMEX in Spanish
2035 GMT 20 Oct 94*

[FBIS Translated Text] Oaxaca, 20 Oct (NOTIMEX)—Diodoro Carrasco Altamirano, governor of the southern state of Oaxaca, has sent a note to California Governor Pete Wilson protesting Proposition 187, which affects illegal emigrants living in that U.S. state.

Carrasco Altamirano states in his letter that Proposition 187, or "Let's Save our State" (the expansion for its English acronym SOS), hinders U.S.-Mexican relations, and he urged Wilson to reconsider those "drastic measures."

He recalled "thousands of farmers attracted by employment opportunities have contributed for decades to successful harvest activities in the California Valley and other U.S. states." He has stated "only in California have political attacks been unleashed against illegal emigrants from Oaxaca through the so-called Proposition 187. This proposition will bring about severe injustices, because it will exclude the young and the sick from education and hospital services, in addition to casting them onto the streets."

Proposition 187 is aimed at denying education and medical rights to all illegal aliens residing in California and will be up for vote this coming 8 November during the election for governor, in which Wilson is seeking reelection.

"If the proposition prospers, it will become established in California's history as a precedent of an inhuman and unusual act of shamelessness contrary to the tradition of this great American nation, which is composed of immigrants from all over the world," Carrasco Altamirano has cautioned.

He has stated the status of "illegal aliens" extended to all Oaxaca residents living in California does not correspond to this state's strong demand for farm labor and only serves to tarnish healthy, bilateral relations by creating "unnecessary bitterness and resentments."

After stating in his letter that Wilson is "very knowledgeable about immigration issues," the Oaxaca governor expressed his hopes that Proposition 187 will not prosper, and he earnestly looks forward to the prevailing of harmony and peace in California.

Copies of the letter were sent to President Carlos Salinas de Gortari, President-elect Ernesto Zedillo, Foreign Secretary Manuel Tello, U.S. President Bill Clinton, and the Oaxaca community living in California.

Human Rights Ombudsman Criticizes Treatment of Migrants*PA2210043694 Mexico City LA JORNADA in Spanish
21 Oct 94 p 9*

[Report by correspondents Aurelio Gaibay, Jesus Moreno, Carlos Camacho, Ruben Villapando, and Uriel Martinez]

[FBIS Translated Excerpt] The Office of the Ombudsman for Human Rights and Citizens' Protection [Procuraduria de los Derechos Humanos y Proteccion Ciudadana] (PDHPC) in Baja California charged yesterday that undocumented Mexicans are mistreated and their individual rights violated when they are apprehended by border guards in U.S. territory.

Their hands and feet are chained in detention centers, where they are confined to very cold cells and left without food for up to one day, State Ombudsman [previous word in English] Antonio Garcia Sanchez stated.

He added that the Border Patrol has adopted new measures to discourage the migrants and began last Monday to expel them from the Yuma, Arizona post, located 350 km east of Tijuana.

Garcia Sanchez warned that if the proposal to issue identification cards to Hispanics in San Diego County is approved, there would be open persecution of undocumented migrants.

In statements to the newspaper CAMBIO-TIJUANA, Garcia Sanchez said "the measure marginalizes, disperses, and discriminates against minorities in the United States."

Filemon Lopez Martinez, leader of the Benito Juarez Mixtecos Association, reported that since the California anti-immigration policy worsened, approximately 20,000 Oaxacans residing in that state have strongly felt the mistreatment but warned: "We will not leave of our own will because we need work. We can at least provide for our families there." [passage omitted]

Lastly, the assistant delegate of Immigration Services at the Government Secretariat in Torreon, Coahuila, said that if Operation Safeguard—which began yesterday in Arizona—is extended, the number of Central Americans stranded at Mexico's border posts will increase; and there is no plan to reduce the intermediate impact in the area.

He said there is no information on the measures the Mexican Government will adopt to counter or prevent the problems generated by the measures against illegal aliens in California, Arizona, and other states in the neighboring country.

Masons Letter Opposes Proposition 187*PA2010200594 Mexico City LA JORNADA in Spanish
19 Oct 94 p 14*

[Letter to President William Clinton, President Carlos Salinas de Gortari, and President-elect Ernesto Zedillo Ponce de Leon from the Confederation of Grand Lodges of the Republic of Mexico, the Inter-American Masonic Confederation, the Grand Masters of the Regular Grand Lodges of the Republic of Mexico, and Grand Master Deputies from the Valley of Mexico; place, date not given—passages within boldface as published]

[FBIS Translated Text] It is public knowledge that the universal institution to which we belong, imbued with principles of freedom, equality, and brotherhood that have inspired us in a secular fashion, have bequeathed to modern history an important legacy of illustrious people and events to which we owe the possibility of coexisting in peace as democratic nations.

We are aware that in the past few decades, for multiple and painful circumstances we will not analyze here, millions of men and women from our countries have abandoned their homes and lands to emigrate, without anything but the strength of their labor, to other latitudes where they might be able to eke out a decent life and earn fair wages with which to provide food, health, education, and security for their children. They do not emigrate as slaves, nor do they accept to be treated as such. Their aim is to work and receive in exchange payment adequate to their status as workers. Thus they in fact join the social, economic, and therefore developmental context in which they live.

We are convinced that as long as the causes that generate extreme poverty and social injustice are not eradicated these effects are inevitable.

We are shaken by and resist the recent attempt, through Governor Pete Wilson's Proposition 187, to undermine the human and labor rights of a labor force that has historically contributed to the forging of California. Such measures and actions unquestionably violate human rights.

This undesirable conduct really responds to an electoral situation and not to socioeconomic reasons being cited in an attempt to conceal this. We cannot accept the former, and, as for the latter, we know that through civilized negotiations with adherence to international law it is of course possible to reach satisfactory solutions.

On 18 December 1990, the United Nations approved the international convention on the protection of the rights of all migrant workers and their families. This document cites the obligation to promote "healthy, humane, and legitimate conditions for international migration."

The United Nations was clear about the principle of equality when it established that the agreements of said convention apply to: "all migrant workers and their families without distinction of sex, race, color, language, religion or conviction, ideas and beliefs, national, ethnic, or social origin, age, economic status, assets, legal status, birth, or other conditions."

Violating these principles that the United Nations and international law have established by encouraging a culture of discrimination amounts to promoting racism. No doubt, living standards need to rise, but this must be done within the framework of justice, peace, and freedom; **something that entails recognizing that workers who emigrate are people with complete rights to life and that, in addition, they produce and generate wealth for the United States of America: a country built by emigrants who cultivated the seeds of justice, freedom, and brotherhood.**

The U.S. Supreme Court set a major humanitarian and legal precedent of equal protection for illegal aliens on 15 June 1982, when it declared unconstitutional a Texas law that opposed giving foreign children access to education (*Pyler vs. Doe*).

For those reasons and with full determination and adherence to humanitarianism, we demand:

1. Withdrawal of the proposed amendment on the rights and prerogatives applicable to emigrants from certain countries, chiefly of Hispanic origin, their children, and other relatives living in the United States. We are ashamed to see that any law might be enacted that would bar those human beings from access to social security, health, and education and to deny them opportunities to work and equitable remuneration.

2. The adoption of intelligent measures that adhere to the law so that people who break existing rules on migration may not be regarded, for this fact alone, as offenders on whom any kind of physical and moral harm may be inflicted with impunity. Even the so-called "undocumented" must be considered people whose human rights must be protected. All violations of this sort dishonor the repressive corps that engages in them and the authorities who promote and conceal them, **markedly harming the image of a country that claims to be the leading world power, vanguard of liberty, and model of justice.**

3. The urgent need to resolve the situation of the so-called "undocumented." We do not think a unilateral and opportunistic decision on the matter is legitimate. We recommend that a forum be created to reach a consensus through dialogue and negotiation to reconcile and reasonably regulate the interests of the states hurt by this problem.

Experience teaches us that social problems are solved when there is a sense of responsibility, sound judgment, and prudence to avoid cultural conflicts, which only promote the separation of nations and hurt people.

We urge the U.S. people and Government to adhere to their traditions of freedom and justice and give a **RESOUNDING NO** to the proposal by the California governor.

We urge the people of California to speak out in a decided and vigorous manner against racist and discriminatory measures that do not at all contribute to the solution of problems but make them much worse. We must recall that **America is one, and we are fraternally united for more than one reason.**

[Signed] Confederation of the Grand Lodges of the Republic of Mexico. President Javier Lopez Gonzalez, grand master of Baja California; Salvador Ordaz Montes de Oca, grand Master of the Valley of Mexico, executive secretary, and president of Zone 1; Treasurer Miguel Angel Michel, grand master of Colima.

Inter-American Masonic Confederation. Kazir Chater, grand master of Brasilia, Brazil; Ricardo Rojas Rodriguez,

grand master of Costa Rica; Fernando de Texeira, grand master of Portugal; Marino Pizarro Pizarro, grand master of Chile; Hugo de Leon, G.R. [expansion unknown] of the Dominican Republic; Jose Gaviria Llevano, grand master of Colombia; Diego Bertolucci, grand master of Paraguay; Pedro Leonel Moreno Monge, G.R. [expansion unknown] of El Salvador; Celso Sergio Ferreira, grand master of Minas Gerais, Brazil; Camilo Alleyne M., grand master of Panama; Otto Medina Villegas, grand master of Venezuela; Armando Caicedo Roman, grand master of Ecuador; and Pedro Retamoso, grand master of Uruguay. Grand Masters of the Regular Grand Lodges of the Republic of Mexico. Mario A. Aquino Medina, grand master of Chihuahua; Jose Rodriguez Garcia, grand master of Sinaloa; Pablo Valdez Romero, grand master of Jalisco; Galo de Santelmo Hernandez S., grand master of Veracruz; Moises Perez Cruz, grand master of Oaxaca; Jose Maria Flores Castillo, grand master of Hidalgo; David Rodriguez Enriquez, grand master of Tamaulipas; Gilberto Gonzalez Guerra, grand master of Nuevo Leon; Raul Herrera Abarca, grand master of Chiapas; Rene Alonso Flores, grand master of San Luis Potosi; Hector J. Casillas Bobadilla, grand master of Nayarit; Manuel Loaeza Cabrera, grand master of Campeche; Andres Perez Tovar, grand master of Quintana Roo; Jaime Torres Serrato, grand master of Durango; Jose A. Gallegos Torres, grand master of Tabasco; Marco A. Ugalde Ugalde, grand master of Queretaro; Ramon Riojas Bernal, grand master of Coahuila; Luis Castillo Carrillo, grand master of Sonora; Adolfo Flores Obregon, grand master of Michoacan; Diego Lopez Razgado, grand master of Yucatan.

Grand Master Deputies from the Valley of Mexico. Luis Montoya Correa, grand master deputy from Aguascalientes; Ramon Lujan Saldivar, grand master deputy from Guerrero; Tomas Cova Flores, grand master deputy from Tlaxcala; Gabriel Ezeta Moll, grand master deputy from the State of Mexico; Jose Eleazar Salazar Dzib, grand master deputy from Morelos; Jose Manuel Maldonado Romero, grand master deputy from Zacatecas; Trinidad Gutierrez Vasquez, grand master deputy from Guanajuato; and Casimiro Chalini Zamudio, grand master deputy from Puebla.

Persons responsible for this publication: Salvador Ordaz Montes de Oca.

Column: Salinas Possibly Losing Bid To Head WTO

PA2110215794 Mexico City EL FINANCIERO in Spanish 19 Oct 94 p 39

[From the "Political Indicator" column by Carlos Ramirez]

[FBIS Translated Text] Just when it is most important to put every effort into the negotiations to become director general of the World Trade Organization [WTO], President Carlos Salinas has canceled two trips abroad, one to New York City and one to India, which he could have used to lobby [previous word in English] for votes. Although the president had domestic reasons for not

leaving the country, which is facing an enormous political crisis, deep down this decision to cancel the trips could be the first indication that the WTO leadership is slipping away from the Mexican head of state.

When President Salinas visited the United Nations one month ago, he met privately with U.S. President William Clinton. Unofficial reports indicated that the White House officially expressed its support for Salinas' WTO bid at this meeting, although disagreements emerged over U.S. immigration policies in California. Clinton himself was expected to praise Salinas and to publicly support his WTO candidacy. U.S. support was tepid, however, because Treasury Secretary Lloyd Bentsen, not Clinton, expressed the support hours after the minisummit had concluded. This situation was a hint that Clinton could be hesitant to support Salinas.

The WTO is much more than garnering votes. If that were not the case, the enormous clout of the U.S. vote would already have signaled the course of the WTO leadership, for which a Mexican, an Italian, and a Korean are competing. Furthermore, the WTO is not only a question of regional distribution recreating the world's trade and financial divisions, as is the case with the Bretton Woods twins—the World Bank belongs to the United States, and the IMF belongs to the Europeans—meaning that if the United States wins the OECD presidency, it would have to lose the WTO leadership, or vice versa: the Europeans winning the OECD could guarantee the WTO for the Americans.

Basically, several little problems and obstacles will have to be overcome in order to win the WTO leadership

1. Domestically, President Salinas lost points and international clout thanks to the political violence credited to his own model of economic and production modernization, in which the trade opening played a significant role. Spreading news of the Mexican political crisis in Europe has undermined Salinas' accomplishments abroad.

2. Another domestic aspect that could prove detrimental to Salinas' real prospects are his relations with the virtual next president, Ernesto Zedillo. The 1994 conflicts have cooled their relations to the point that Zedillo already understands that the political opportunities of his presidency are directly related to Salinas' activities as a former president. The tension arrived at a Mexican national security crossroads, because there must not be any intermediaries in the direct relationship between the Mexican and U.S. presidents. As WTO director, Salinas would have more access to Clinton than to Zedillo himself, thereby undermining Zedillo's internal power.

3. Europe is currently debating NAFTA, signed by Mexico and the United States, especially because NAFTA would constitute the benchmark by which Washington would operate the WTO. What attracted the Europeans' attention the most was the subordinating style of U.S. trade policies within NAFTA at a stage when U.S.-made products have dropped to 20 percent of total world trade. The free trade

agreement signed with Mexico showed that the United States is not interested in free trade but in a commercial system that would benefit its products to the detriment of others. Europe and Asia are refusing to hand international trade control to the United States. In addition, the fact that Mexico relinquished its sovereignty to please the White House over NAFTA—a situation that could be repeated at the WTO—is criticized.

4. The Japanese vote in support of the Korean candidate has demonstrated that the trade struggle is leading not toward globalization but toward regionalization. The competition among one candidate per bloc—Salinas for the Americas, the Italian candidate for Europe, and the Korean candidate for Asia—proves that the WTO could be born with the original sin of protecting the bloc to which the winner belongs. Japan's hegemonic financial role could diminish Salinas' chances. Moreover, the Mexican president believed that the Japanese would support him.

5. Europe and Asia have an additional concern: They believe that Salinas would become an instrument of U.S. interests, as was the case with the free trade agreement signed by Mexico, the United States, and Canada—an agreement in which Mexico lost industrial development possibilities for the sake of an indiscriminate opening for U.S. investments. Europe and Asia have a much sounder and more competitive production structure than the United States. That is why they believe that a U.S. candidate, Salinas, would favor the deteriorated U.S. trade balance and would not encourage fairer trade.

In this context, Salinas' path to the WTO is full of hurdles. Things were much easier prior to 28 September, but the assassination of Jose Francisco Ruiz Massieu clouded Salinas' possibilities for gaining international stature. That is why Salinas has seemed to resign himself: He has canceled two crucial trips needed to garner votes, has released reports that he will take a vacation after he leaves the presidency on 1 December, and is losing every day his expectations of making the greatest modernizing effort [maximato] because of his successor's character.

Worse yet, Salinas has already lost the support of Jose Cordoba Montoya, because the former number two man at Los Pinos is now Zedillo's number one.

Marcos Speaks To Democratic Convention

PA2210145094 Mexico City LA JORNADA in Spanish
16 Oct 94 pp 1, 12, 13

[Report by special envoy Hermann Bellinghausen—passages within italics as published]

[FBIS Translated Text] La Margaritas, Chiapas, 15 Oct—"We have had to put up with all kinds of stupidities that some delegates are saying about the EZLN [Zapatist National Liberation Army] being divided, that they have become hard-liners, that *Marcos* did not write the 6 October communique, that he is under arrest, and that *Marcos* is opposed to the CND [National Democratic Convention] presidency. We have come here

today to reiterate that I did write that communique and that we all agree with it. We are also going to make it tougher in order for them to understand us better."

Subcommander Marcos' tone is not what one would expect to hear at a leftist gathering (much less a right to center gathering). Some even perceive it as a reprimand. On the other hand, others perceive it as a new manner of saying things among equals, in this country of pretenses and half truths.

The conventioners gathered in the Lacandona jungle were confronted by the EZLN speaker. Teeth grinding between the old and young?

"We would like to expand a bit on this issue. We have been provoked up to the point of war. Since this past 8 August we warned them that if war breaks out again, they will not have anything left to do in Chiapas. Once and for all, desist from trying to transform the CND into a solidarity committee with the people of Chiapas. This is not Central America. This is Mexico."

One of the "big shots," as *Commander Tacho* described him, sent a message to the EZLN a few months ago. The message was sent by a particular big shot, who does not belong to the CND (because he is not even a member), but by someone world-renowned in contemporary culture: "Tell *Subcommander Marcos* to leave the old-timers, those of us who supported the Cuban and the Nicaraguan revolution, behind. Tell the Zapatists to get going."

According to what can be understood from the words the conventioners heard in *Aguascalientes* last night, what has to get going is the CND. The Zapatists already did. *Marcos* continued:

"I am going have to be especially tough in answering those imbeciles about the Zapatist army's struggle. We have already made a proposal on what the CND's struggle agenda should be, as well as a proposal on the criteria for selecting the president. I am going to tell you about the background of the presidency. The organizing commission is already aware of the strategy, and I am surprised that they have remained silent about it. Maybe they simply support the attacks launched against us by their newspapers and magazines. The problem lies in that we cannot select a president to preside over something that has not been properly formulated. The other problem is that in selecting a president we would be kicking up a hell of controversy with respect to who was going to represent whom, what groups would be represented, the *ultras*, the reformists, the voters, the illustrious and wise revolutionaries, and all that crap that has been repeated in San Cristobal at the roundtable, all that crap from the Federal District [DF]. Or is it not true that three people from the DF have spent their time trying to convince the Guadalupe Tepeyac grass roots that it would be better to surrender, that it would be preferable to make a deal with the government, and that the Federal Army is too powerful, and that we would never be able to beat them? As *Tacho* told all of you on 8 August, you are all welcome here and this is your home. But there is one word banned here: surrender.

Settle your differences on your own, and stop the crap. We are not going to allow you to come here and demoralize the people or tell them lies. You can do that at the Che Guevara Auditorium, or in the Zocalo in Mexico City, but you cannot come here and do it. Just like that."

The road to *Aguascalientes* had greeted 400 conventioners with eloquent signs of "danger, heavily mined area," with the skull and crossbones or poison label. It reminded them that the EZLN was in armed revolt. That it was now the CND's turn to do its part. Still on the presidency, *Marcos* continues:

"It was suggested that the EZLN make the proposal. It was said that either way if the EZLN made the proposal no one would dispute it since it was the first session. Then they proposed a list to us, and we decided on two representatives for each state to guarantee that the CND's message reach everyone, and an additional 36 people for a total of 100 representatives. Thirty-six people were to represent social and national organizations, or prestigious intellectuals. The problem was that the first session was being celebrated in rebel territory. Legitimacy was needed so that there would be no doubt that the CND was not a guarantor of the war, nor an attempt by the EZLN to get more wooden rifles [fusiles de palo] in more states throughout Mexico. Of the 36 people proposed to us, we knew only three or four, including Dona Rosario, Dr. Pablo Gonzalez Casanova—some of them we knew only by their names. Well, we said, does the organizing committee agree? Yes, we want *Tacho* to propose them. All right. What have you resolved on the states issue? That each delegation name its representative to the presidency.

"Some of the 36 personalities, very prestigious people, said they would participate only in the first meeting, and not be a part of the CND presidency. 'We sat there and let the ship sail.' They did not commit themselves further. Later they abandoned the presidency because they had made no further commitments. In the group of 36 and the group from the states there were all kinds of people, even though some were *ultras*, or however you wish to classify them according to the scheme used to classify politics, but that was their job, to decide whose turn it was to speak. Sort of like a secretary.

"The agreement that was to be promoted with the organizing committee was that the first session would convoke the second session, and it was said the second session should be held after the electoral process to evaluate the elections. Logically that would have been the week after 21 August that they had to meet again to evaluate the elections. They did not do it. Now they blame us because the EZLN has not called for a defense of the vote. The same stupidity that argues there are factions in the EZLN. Let it be clear—they did not do it.

"They met here and decided to suspend the meeting at 1200 hours because someone who does not live here said it was going to rain. The only ones who know when it is going to rain here are the Zapatists. No one asked us if it was going to rain. You were told we have so many hours

left, hurry up, let us vote, forward, let us go, Mexicans let out your war whoop, good-bye, everybody's happy.

"The presidency was left undefined, they never called for a second session, and each person left believing whatever he wanted to about the Convention. Even today in San Cristobal de las Casas people are asking themselves if the CND is an organization that lies somewhere between the EZLN and the Mexican Army. Other say that in fact it is an organization that collects food for the EZLN. For other delegates it is an organization which makes a common cause with the EZLN, takes care of publishing paid ads, and organizes marches in support of the EZLN's struggle. It was not clear, that's the truth. The only thing that was clear was that one had to vote against the PRI [Institutional Revolutionary Party], even if all you found to vote for was the PAN [National Action Party]. No one understood whether that resolution was general or specific. In effect, no one bothered to clear up anything. That is how they left here.

"We kept our promise; we said we would not interfere in the electoral process, and we did not. We allowed elections to be held here at the expense of our principles. They came and set up polling stations; our *companeros* cast their votes, and there was fraud. These elections were the most watched elections in history because of the Zapatists, and now they want to blame us for inducing the CND.

"The big quarrel would have emerged if the CND had decided to favor Cardenas while the PRD [Party of the Democratic Revolution] directorate was reaching an agreement. They told us: You would object if the CND favored Cardenas. No, if the CND decided that it was going to support Zedillo, there was nothing to do; it would support Zedillo. If they were going to support Cardenas' candidacy, it would support it through the CND, because we are a rebellious army. We are rebellious, because we refuse to believe in elections. If we believed in a peaceful and legal electoral struggle, we would not hide our faces behind masks and carry weapons. We would be sitting down, and others would be speaking here instead of us. We believe a peaceful transition is still possible; we do not object to being proven to be wrong. This is where we differ from the armed groups that say no, that want only an armed conflict, and that say everything else is bullshit. Maybe not; there may be other forms of fighting, and an armed conflict may be unnecessary after all. Prove it. This is how we arrived at the CND. We refused to yell up with the armed conflict and death to the reformism. We wanted to discuss and reach an agreement. Our proposal was for the CND not to adjourn on 22 August."

It is worth mentioning that *Subcommander Marcos* and some armed rebels attended yesterday's CND session. Together, yet separate.

"The other proposal that the PRD made to us was for the CND to implement a program of civil insurrection. It stopped us, which was convenient for us, because we could have been out of control. We said nothing; we naively

thought that the PRD indeed had a postelectoral plan for civil insurrection. However, we already realized it is not so. If they do have a plan, it is already time to implement it. It is October; we have only November left. If the PRD is going to do something, it is acting too slowly.

"We did not want the CND to do what the EZLN told it to do; we wanted to know if the CND was going to defend the vote. However, it never agreed to meet again. It is here where the problems lie. We are saying we refuse to be at the vanguard. We are again saying that we speak the truth; we do speak the truth.

"This is the history of the presidency and the CND. We refuse to let the boat sink. Many of us trust you. I am not talking about party leaders; we trust people without a party—housewives, peasants, those who will not carry a weapon because they refuse to, do not see the point of it, or are unable to—people who can do a great deal to change this country.

"Now, the major leaders are mad about the communique we issued on the 6th, because they maintain it is a vote against the PRD reaching the presidency. Why? We will say the same thing that Doctor Pablo Gonzalez Casanova said as he closed the first session: the CND must not be subordinate to any political party. Political parties are the ones who must be subordinate to and support the CND. If the PRD believes that it goes against its principles and that being subordinate to agreements made by an organization like the CND is treacherous, that's just fine. The PRD can participate, but it cannot preside over the CND, just like we cannot preside over it because we are armed group and because we would make it illegal instantaneously. On 8 August, we said we would step aside, but we are not leaving. We are urging political parties to say just the same, 'we are stepping aside.' But don't leave! At any rate, if everything fails, just say it again: 'We warned you.'

"We want to make a difference between the leaders and the rank and file. We have received a lot of support from the bases of the PRD; they are a very convinced lot. I believe the party would be something else if it were managed by the rank and file. But its leaders have tried to blackmail us and have exerted a lot of pressure. Here I want to tell them: We have had enough. We took all this just to keep from interfering in the 21 August elections. Since 7 May, we warned you: 'They are up to something. They have no interest in interrupting the elections. Something is going to happen.' We told you: 'You are going to be sent to a third place so you cannot protest anything.' You replied: 'Do not worry.' We told you that you had to work harder because we are growing, we are an armed organization, and supposedly, on the eve of elections, there had to be growing expectations for a peaceful transition, not an armed one.

"We saw that this was how the government was going to play it. But you said: 'Do not do anything. Do not give them an excuse to cancel the elections, because you will be playing into Salinas de Gortari's hands.' Well, we did

not do anything. What is more, we allowed them to come here and hold their elections. They came, held the elections, and Salinas got what he wanted.

"Not only that. After the elections, the party leaders said Cardenas lost because of the EZLN, because of *Marcos*, because of the photo with the son of the general.

"We do not think the peaceful strife is over yet; the struggle to achieve a democratic transition is not based solely on those elections. We have to reject them if there was fraud. We can say this: If Cardenas would have won, he would have had to keep the CND program, and if Clinton or Che Guevara got to the Mexican presidency, they would have to comply with the Convention's program. The problem is that no one knows what the convention wants. If you ask someone why the Zapatist Army is fighting, he will say it is for land, a roof over the head, and work. Ask any of the convention members in the DF why the CND fights and see how they answer.

"We propose that the criteria for election to the presidency be discussed in the second session. Then they start to say that *Marcos* is the tyrant of the southeast; the very same people who yesterday said that *Marcos*' writings were very good. Now they say that the hard-liners have taken the lead in the EZLN and that the *extremists* have appeared.

"All this looks very bad to us. If the CND presidency is not able to go anywhere in the republic, it does not deserve to preside over the CND. And if it cannot go to the place where a war is going to be started by those who told them that if we did not have a democratic change there would be war, if the presidency does not go, over what will it preside?

"We want to state clearly that the EZLN is not going to be a card in the deck with which the PRD is negotiating with the government, and we are going to do all we can to see that the CND is not a card in that deck either.

"I tell you very clearly: We have all the right to aspire that our way of thinking, fighting, and seeing things convinces not only more people in the state of Chiapas, but that it convinces the CND, the country, Latin America, and the Europeans. We have the right to struggle to make the Zapatist thought the vanguard of not only the state but of the country, the continent, and the entire world. No one can question this right. In any case, show us with facts that it is not good. With facts."

In addition to the tough talk with which the Zapatists received the convention members this morning, they again used their direct language in the evening to express their criticism—the language they used when Cardenas was here and that made so many people stay up all night because they felt they were being pointed out, and this made them very upset. And *Marcos* continued:

"We are not against a political party or a social organization. Here, the EZLN was the only organization that said it would submit itself to the mandate of the CND. None of you said this. You let time go by.

"The CND is not going to die. The luminaries and the big leaders may leave, but the CND is going to continue simply because this country needs another door and the old organizations are no longer the door. This can be accepted now or in three or four years when they discover that something new, different has to be done."

Marcos then centers his philippic discourse (the name formerly given to a discourse that was never used to win oratory contests at a minstrel level) in the CND, indicating some possible doors:

"We are not calling for the fall of the presidency.

"If the Convention says we are going with such a party, we will go with that party; if it tells us that we are going to be the PRI's armed force, the competition is going to be fierce because they have more than enough weapons. Perhaps, this would allow us to replace the wooden ones we have right now.

"What we are saying is that if there is going to be a big mobilization and if war is necessary to defend the election results, then we will wage war to defend the election results, but let this be decided by the Convention. If it is decided to march on the capital, we will march on the capital. Otherwise, we will make our own decisions.

"If you want evidence that there are low-flying flights, we are going to shoot down the low-flying planes to present their aluminium.

"If we cannot carry out mobilizations to prevent war now, later we will not be able to carry them out to stop a war. If there is a return to the 12 January situation and war breaks out, I doubt it can be stopped. I am saying this as a military man.

"Hold meetings, reach an agreement. If the majority decides you are a readers' club, be that, if that is what you can be. We are hearing voices from everywhere, from people telling us that the Convention decided this or that, and political parties tell us we are a damn *extreme* and the *extreme* tell us we are just a damn political party.

"What we can do is find you a peace commissioner and a mediator, especially for the Mexico City Assembly, so that they reach an agreement.

"We believe in you, in those who have no party. The CND cannot be a party follower, or a follower of the EZLN either. The CND must be an amalgamation of strong struggles, which can be headed only by forces committed to these struggles. We are vetoing neither the PRD nor any other party. Grab the presidency. We are going to obey the CND. If the CND defends this or that, we either defend it or pull out of the Convention. This is the way it has to be. We think that the majority of those who are in the Convention do not belong to any party. We trust in you.

"We have no obligation to anybody. We fight and die alone. But we can tell those who have no party that we are alive thanks to them because if there had not been a cease-fire on 12 January, who knows what would have

happened. I think that many federal soldiers also owe you their lives, many of them, more than they think. I know that the federal troops approve of the CND, because they hope it will keep the Zapatistas from engaging in foolish actions, in attacks on them. As the troops see it, an attack on them is a foolish action.

"Lately, the Zapatists have had to remind their friends, enemies, and observers, that they are an armed group. Well, the *Zapa-tour* is over.

"If they want bullets we are going to let them have them. We cannot hoist another white rag as our response to provocations. We are an army, not a syndicate or a landowners' club. They have to respond to us as an army and not as if we were asking for milk and honey. We are an army.

"Everything is set to impose Robledo. If Robledo is imposed as governor, there will be a war here. Here means Mexico, not just Chiapas.

"We thank you for coming. You had to do it at a difficult moment, with the broken dialogue."

Subcommander Marcos fine tunes and summarizes his position:

"We have nothing against the PRD and nothing in favor. In any event, that party has to earn your respect.

"To the *extremes* we say that they fulfilled their pledge: They did not obstruct the electoral process and did not call for a boycott of the voting, but they have done nothing either. You may be very *extreme* but here, we are the radicals.

"The way you see it, the main enemy is the PRD. The way the PRD sees it, the main enemy now is the EZLN; before it was the *extreme*. Now they say we are the *extreme*. But we are not enemies of the PRD, and your enemy is not the PRD; the enemy is the state's party."

This afternoon, back in San Cristobal, those who participated in the jungle meeting could still hear those words echoing in their ears. The majority of the participants, Rosario Ibarra de Piedra, the PRD people, and those without a party, agreed (entirely or mostly) with what had been said by *Marcos*, who concluded his speech last night saying:

"We ask you to organize the people, not to wield any weapons.

"We have the right to have a Zapatist and not an armed Convention, Zapatist in the sense of seeking a new political relationship, and not only with outsiders, to produce a new human relationship, a new way of looking at the revolutionary struggle."

Reviews Situation in Country

PA2310041094 Mexico City LA JORNADA in Spanish
21 Oct 94 p 1-20

[Report on an interview with Subcommander Marcos, leader of Mexico's Zapatist National Liberation Army,

by Hermann Bellinghausen in the Lacandona Jungle, Chiapas State, on 20 October; first four paragraphs are an introduction]

[FBIS Translated Text] Lacandona Jungle, Chiapas, 20 Oct.—In an extensive interview granted to LA JORNADA and other media, Subcommander Marcos has reviewed the situation in the country and has paid special attention to the new peace proposals made by Bishop Samuel Ruiz, the federal government's response, and the Chiapas conflict, and he has discussed the actions of the Mexican Army in the areas under EZLN [Zapatist National Liberation Army] control.

In his first formal dialogue with journalists since before 21 August, the EZLN spokesman has warned against the imposition of an aggressive policy in the Chiapas conflict under the government's assumption that a quick, surgical, local solution is possible. It would be the equivalent of playing the game of a witch doctor's apprentice, because "if they make a mistake and are unable to put out the local fire as they intend, it will spread, and no one will be able to put it out," he has said.

Asked about how the EZLN sees the proposals made by Bishop Samuel Ruiz and Peace Commissioner Jorge Madrazo Cuellar, Subcommander Marcos said:

[Marcos] The commissioner's proposal cannot be considered, because the dialogue is broken, and we cannot receive government proposals if no talks are held. The only proposal we have really received is Mr. Ruiz' mediation. The committees have decided the suspension of the dialogue. The resumption of the dialogue can only be done with the approval of all the committees. The four points contained in the proposal will be subject to consultation. If the committees have decided to break with the talks—Marcos did not make the decision—the committees are the ones that have to review the document and decide whether dialogue is resumed, whether the truce is maintained, or whether the suspension of the dialogue is maintained and the lifting of the truce is ordered.

[Bellinghausen] It would be somewhat like the discussions following the dialogue at the cathedral?

[Marcos] Yes, but they would be more selective. That is the prerogative of the committees. The committees do not have to visit all villages. The proposal is submitted to all committees for their discussion, meaning the process can take time. I do not know whether they are going to answer yes or no, but it is very likely they will react just as they did when the dialogue was suspended. It is not a reaction to words that speak of peace but, rather, to actions. They have decided to break with the dialogue due to the signals they saw coming from the government, war signals. Even though dialogue proposals were coming in, acts of military and political arrogance prevailed, and that reason is why the committee has decided to suspend the dialogue, and the fact is the truce is weakening.

Instead of making peace proposals to resume the dialogue, the government and the mediator must exhibit

signs they are able to cool down the aggressiveness of the other parties involved, not only of the federal Army but of the ranchers, businessmen, and the police.

We do not believe they are going to do so, because what we are seeing is the incursion into Morelia and the reoccurrence of low overflights over the free zone. A path to dialogue would entail the deactivation of the threats, as they were deactivated in January and February, when agreements began to be reached, and everything was finally left in calm. Then one can say: It is my turn to speak now. You cannot speak, however, with an airplane overhead, with incursions, evictions, aggressive statements and threats.

In other words, we see war closer than peace, but this situation is not because of us or because we have become more radical. It is because war seems to be coming from the government. It has been said that war benefits someone on the government's side and that someone is doing everything possible to provoke it so we will begin it; otherwise, that someone is ready to begin it. Who? I do not know. I wish I did so I could bring him here when the action begins. I do not know who might benefit from these things.

[Bellinghausen] Is the resignation of Chiapas Governor-elect Eduardo Robledo Rincon a condition for the resumption of the dialogue?

[Marcos] No, the dialogue does not depend on Robledo. It is dependent on those signals from the government, including the postelectoral conflict. Robledo's problem is not with us. There is a strong civilian movement against him. The problem is that you cannot respond to an army as you would a political party, with a concerted effort. If you are going to speak of peace, you must give signals of peace.

[Bellinghausen] How does the EZLN interpret the federal Army's recent maneuvers in rebel territory?

[Marcos] We thought the federal Army wanted to pressure the EZLN to negotiate with the administration of Salinas de Gortari. According to this reading, the objective of the pressure with the checkpoints, the low overflights, and the incursions is to intimidate and threaten us with the argument that there is a hawkish and a dovish sector and that we better negotiate with the doves; otherwise, the hawks will destroy us. As the situation in the state has been deteriorating, however, we see that if that were the objective, it would be counterproductive.

We have begun to see that there is interest somewhere to take the crisis situation to a breaking point and that these maneuvers by the federal Army have responded to the interest of provoking a violent response from the Zapatists. It is as if there were a faction in power interested in making the national situation more unstable and unmanageable. This is so, because I do not believe there is anyone left who believes a conflict can be isolated in a few municipalities of Chiapas without affecting national developments.

The assassination of Ruiz Massieu reveals there are people in the ruling party, in the power groups interested in turning a situation that was supposed to be a peaceful transition of power into an increasingly more unstable situation. We believe the Federal Army is participating in this game of interests. It is obviously being offered something in exchange for undertaking these maneuvers, which are not part of the usual movement of an army that is patrolling or gathering information about enemies. Instead, these are military actions endangering the units involved in them. It is as if they are seeking a clash and not information.

The reconnaissance flights are very close to the mountains, where the antiaircraft fire units are logically set up, and the patrols enter deep into EZLN territory with which they are not familiar during times and geographic situations that would hinder a liaison if these detachments were attacked.

We are either facing a military command with poor judgment to conduct surveillance operations, or this is a deliberate action to provoke a dangerous confrontation. We recall how military maneuvers were conducted before Colosio's assassination: Reconnaissance flights were more discreet, farther from our territory, more thorough. It is impossible to make military movements in an area being patrolled from the air without being detected in time. Flights have even taken place over the no-man's-land in San Miguel de Guadalupe Tepeyac, another example of these surveillance operations. This occurrence did not happen before; they avoided the no-man's-land and entered the territory.

Recent flights over the area have been conducted by planes that obviously belong to the military. These planes fly low and during hours in which only these types of planes are able to fly in the dark without using any lights.

The EZLN members have decided to break the dialogue, because they viewed the facts as an attempt to lead the situation into a war. The military has probably calculated they could begin a localized conflict that could be controlled through small combat actions and stopped as it happened in January. There is where the sorcerer's apprentice comes into play, because if they make a mistake and cannot limit the conflict to a certain area, the situation could explode, and neither they nor us would be able to control it."

[Bellinghausen] What is your view on the recent proposals made by Peace Commissioner Jorge Madrazo?

[Marcos] We stopped heeding the government's word, because they did the opposite in practice. We did not receive the last of Madrazo's proposals on the verification commission and other aspects, because the dialogue had already been broken. What we did receive and are analyzing is the proposal made by Samuel Ruiz Garcia to resume the dialogue with a new mediating commission. The committee is evaluating that proposal.

In addition, Madrazo's last statements are quite harsh. I just heard them on the radio, and they come across as an ultimatum for the EZLN. They give the impression that only the EZLN wants to hold a dialogue and that it will be up to the government to impose the conditions. If the report given by the media reflects Madrazo's statements—and his statement was apparently textual—the EZLN is given four conditions to resume the dialogue.

First, the government wants us to respond to charges of EZLN pressures on the civilian population. It is a timely demand, because we had recognized this situation days before, and we had invited nongovernment and human rights organizations to conduct this investigation. It is absurd for Madrazo to be making this proposal now.

The second demand is for the EZLN to guarantee the return of the people who have been displaced from their lands. These people are being sponsored by the cattle-men's associations and by the federal government itself, which promises them supplies and provisions as well as rent payments for abandoning their lands. That is how small, displaced landowners are making a big profit, because they know their lands have not been occupied. They take the government's rent money and come and check out their lands once in a while and pay the war tax so their lands are not invaded.

The third demand contained in Madrazo's ultimatum to get the EZLN to resume the dialogue is to allow the communities within the conflict zone to receive government assistance. The answer is in San Quintin, for example, which is inside our zone and has received government assistance, specifically an electrification program in which each house has received a solar cell to light four bulbs. The people of San Quintin, who belong to the National Peasant Confederation and are PRI members, receive merchandise, credit, and assistance by plane, and no obstacles are placed.

Madrazo's fourth demand is for us to publicly disconnect ourselves from criminal incidents in Tapachula and Teopisca. Concerning Tapachula, I do not know about what he is talking. Concerning Teopisca, he is talking about the judicial policemen who have raided the municipal office. EZLN people do not drive Wagoners. He better explain how it is possible for hooded individuals to enter a public garrison without anyone saying anything. What we know is that it was a plan between ranchers and the judicial police to get the latter to install a garrison in Teopisca. But no, it was not us, and besides, we do not have to deny each one of the things they do.

We are not pressed to resume the dialogue, because we see that a double game is being played here. They speak of dialogue yet give war signals. Consequently the evaluation we make of Madrazo's proposal is confusing, because we do not know whether he is making fun of us or whether they are making fun of him, because he has no power, no initiative to support what he is proposing.

In addition, another problem for the resumption of the dialogue is the assassination of Jose Francisco Ruiz

Massieu. The companeros ask how are they going to sit down to talk to people who claim they will respect our lives if they do not respect their own. The companeros say: No, because if they are going to be screwing us like that, we cannot be talking about a peace process for our return to civilian and political life.

[Bellinghausen] Was the situation more tense before the dialogue at the cathedral or now?

[Marcos] It is more tense now, no question about it. Did we issue warnings of mobilizations and accumulation of troops at the deployment lines then? We believe that the government wanted peace in February and that the government wants war in October.

Ruiz Pleased With Government Response To Talks Plan

PA2110162094 Mexico City XEW Television Network in Spanish 0430 GMT 20 Oct 94

[From the "24 Hours" newscast]

[FBIS Translated Text] In Chiapas, Samuel Ruiz, bishop of San Cristobal de las Casas, today answered the letter sent to him yesterday by Jorge Madrazo Cuellar, commissioner for peace and reconciliation in Chiapas.

Ruiz said that he gladly welcomed the confirmation that a political solution is being sought for the conflict and also the fact that the Mexican Army will not threaten the cease-fire. He said this was a formal answer from the federal executive to his dialogue proposal.

PRI Demands Dismissal of Chiapas Mediator; Deputies Cited

PA2410012294 Mexico City LA JORNADA in Spanish 20 Oct 94 p 9

[Report by Oscar Camacho Guzman and Ricardo Aleman Aleman]

[FBIS Translated Text] The Institutional Revolutionary Party [PRI] demanded yesterday from the Permanent Committee of the Mexican Congress the dismissal of Bishop Samuel Ruiz from the post of mediator of the Chiapas conflict, because, in its opinion, he is one of the main promoters of violence and political mobilizations in that state.

PRI Deputy Laura Alicia Garza Galindo said the San Cristobal de las Casas bishop has turned "nice committees that could have run for the Nobel Peace Prize into committees of activists for mobilizations related to the

problem of the elections." The deputy said "Samuel Ruiz' objectives must be carefully and seriously analyzed" according to her party.

The call for the mediator's dismissal is the first of this nature made by the PRI during the 10 months of the conflict in Chiapas. The call was made after the mediator made a unilateral proposal for the pacification of the state. Peace Commissioner Jorge Madrazo Cuellar has also severely criticized Ruiz' proposal.

The call for dismissal has been the PRI's answer at the Permanent Committee to the earlier call by the Party of the Democratic Revolution [PRD] for Congress to assume a more active role in the search for solutions to the Chiapas problem.

Chiapas was the second issue discussed during yesterday's session of the Permanent Committee. It was initiated by PRD Deputy Francisco Saucedo, who proposed that federal legislators stop being passive and work instead to find options and alternatives to resolve the situation in that state.

Saucedo said it is necessary at this moment to legislate on matters the Indian communities have been demanding, such as regional autonomy. Another issue, he said, is the problem of the postelection in Chiapas, which must be resolved. He said it is urgently necessary for the Chiapas Special Commission to play a more active role.

Ricardo Monreal, Juan Antonio Nemi Dib, and Laura Alicia Garza Galindo, all PRI deputies, shifted the discussion to a defense of Eduardo Robledo's electoral triumph and criticism of peace intermediary Samuel Ruiz instead of responding to the PRD position.

Ricardo Monreal said his party is not prepared to engage in "surreptitious, harmful, and illegal" negotiations that degenerate and corrupt democracy "by opening a space for clique or party decisions that represent the negation of all democratic processes."

Monreal also contradicted the president of Mexico, who called for yesterday a search for mechanisms to review irregularities in the electoral process in Chiapas. Monreal said: "We state our respect for that proposal, but the elections in Chiapas went through all the legal requirements, and it is our obligation to respect electoral autonomy."

Garza Galindo demanded Samuel Ruiz' dismissal. She said it is necessary at this moment to think carefully about the role the bishop is playing. She said: "A person that has been unable to satisfy human and earthly ambitions, which are very distant from religious humbleness, has turned nice, Nobel Peace Prize-deserving committees into committees of mobilization activists."

Costa Rica**U.S. Citizen Arrested; To Be Extradited to Peru***PA2210201994 Panama City ACAN in Spanish 1712 GMT 22 Oct 94*

[FBIS Translated Text] San Jose, 22 Oct (ACAN-EFE)—Costa Rican judicial authorities arrested U.S. citizen Paul Howne Noe [name as received] on San Jose today. According to the Superintendency of Banks and Insurance (SBS) of Peru, Howne is implicated in the theft of over \$400 million, causing damage to some 160,000 investors.

The Peruvian banking authorities accuse Howne Noe, age 67, of masterminding the theft along with Peruvian financier Manrique Carreno, president of the Latin American Center of Entrepreneur Advisory (CLAE)—which had taken the money from savings account holders—and nine more accomplices.

The financial blow had its repercussions in Costa Rica in January of this year when it was reported that the authorities in this country were searching for the funds, which were supposedly invested in "German bonds."

In that same month, the authorities decided that a CLAE branch company, Productos F y K, the owners of which were foreigners residing in Costa Rica, had sold the bonds to CLAE and had the bonds in a finance company vault.

Police investigations were able to determine that Productos F y K was founded by Paul Howne Noe in 1983.

The arrest warrant issued in February of this year is based on a decision made by the SBS, which also includes Peruvian Juan Grimaldo Portal, Canadian Ronnie Fulwood, and U.S. citizen Herbert Mazzola, owners of Productos F y K.

Grimaldo and Mazzola, however, left Costa Rica on 15 January of this year and Fulwood left on 26 January.

According to the arrest warrant, Paul Howne Noe is accused of financial crimes, forgery, and fraud to obtain illegal documents to the detriment of the Peruvian state.

Paul Howne Noe is being held at the Judicial Police Headquarters, where he will remain until his subsequent extradition to Peru is determined.

El Salvador**Assembly To Ask Reno To Extend Permits of Salvadorans***PA2210201094 San Salvador LA PRENSA GRAFICA in Spanish 21 Oct 94*

[FBIS Translated Text] The Legislative Assembly last night approved the draft of a letter that will be sent to U.S. Attorney General Janet Reno asking her to extend

the stay permit of the Salvadorans who are in the United States. Their permits expire on 31 December.

The Nationalist Republican Alliance, the National Conciliation Party, the Christian Democratic Party, the Farabundo Marti National Liberation Front, the Unity Movement, and the Democratic Convergence have all endorsed the letter, whose objective, these groups said, is to guarantee the stay and security of compatriots who live in the United States.

Deputy Rene Figueroa, chairman of the Salvadoran Legislative Assembly's Foreign Relations Committee, said that all the necessary efforts are being made to respond to the concerns of thousands of Salvadoran families whose homes are being sustained with remittances from their relatives in the United States.

With this unanimous endorsement of the document, the various parties want to underline the negative effects that the return of those Salvadorans to El Salvador would have, considering the fact that the country is currently going through a difficult reconstruction phase while at the same time complying with the peace agreement commitments.

Figueroa said that "our Assembly is concerned about the economic and social impact this return would have because after 12 years of war, we are facing serious unemployment and crime problems. It would be difficult for Salvadorans returning from the United States to find a job here."

The letter explains to the U.S. official that the Assembly has sent a letter to U.S. senators and representatives so that this request will be analyzed and an extension of the Deportation Program Delay will be viewed as a special U.S. Government act of goodwill toward our country.

"We acknowledge the record of U.S. foreign policy in Latin America and, especially, the aid it has always granted to El Salvador," the signatories of the letter said. On this point, they asked Reno to give special consideration to the Salvadoran cases. In that way, they added, the U.S. Government will continue to contribute to the strengthening of the Salvadoran democracy and the peace process.

Guatemala**President Discusses Peace Talks, Development***PA2210120894 Guatemala City Teleonce Television in Spanish 1900 GMT 19 Oct 94*

[News conference with President Ramiro De Leon Carpio by unidentified reporters at the Presidential House in Guatemala City on 19 October; from the "Telepress" newscast—recorded]

[FBIS Translated Text] [Reporter] [Words indistinct] ...said there was a need to cut bureaucracy by nearly 50 percent. Is this true?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[De Leon Carpio] First of all, if you analyze his statements, the vice president said it would be advisable. He said this statement textually, not that there would be any reduction. It is not a decision [word indistinct], and he said this textually in his statements. In this respect, I would like to affirm that a reduction as such would not necessarily be taking place. It would be a restructuring of the executive branch according to the government's agenda. I believe it would be worthwhile to explain this point a bit more in the sense that this restructuring entails improving human resources with the objective of modernizing the quality of the public services offered by the state to the Guatemalan people. This measure came about resulting from certain evaluations. For example, in certain areas such as agriculture, there is a relationship of seven [word indistinct] for each technician while at certain other institutions, such as the National Police, public health, and education, there is a need to strengthen those institutions, meaning instead of cutting personnel at these institutions, there will be a need for us to increase the number of personnel.

I have said the net results of all of this will not be a personnel reduction but, rather, merely an adjustment. We are beginning to implement today concrete actions with the [word indistinct] and [word indistinct]. As I announced previously, the talks with the union mark the beginning of meetings between the president and the social as well as religious sector, the academic, union, and peasant leaders. We are beginning as of now an in-depth discussion into social issues.

Once the political crisis and the institutional crisis have been surpassed, it is our responsibility to bring up these issues. One of these issues, the most pressing but not the only one, is the one concerning the public sector labor force; it is not the only issue to be discussed. We also have to debate the issue of the private labor sector and all the conditions related to wages and prices. We are about to create a consumer protection agency, and as of this moment the government is now the Guatemalan people's staunchest benefactor concerning the people's individual rights to life, integrity, liberty, and safety in addition to the individual's right to economic, social, and cultural rights, health, education, food, housing, and so forth. In other words, as of this moment the government's program, which was already established, takes a drastic turn, because we have been able to surpass the political and institutional phase. It is not that things are changing just because it feels like it. It is being undertaken because it had already been strategically planned for the moment when we had overcome the previous phase, which was surpassed from the moment when the new Supreme Court began operating.

[Reporter] [Words indistinct]

[De Leon Carpio] As soon as possible, but I would also like to announce that within a few days we will start making structural changes in the area of security, which

is another eminently social issue, just as tourism is part of the government's specific policy. In this case, security is a part....

[Reporter, interrupting] [Words indistinct]

[De Leon Carpio] In approximately one month more or less.

[Reporter] [Words indistinct]

[De Leon Carpio] Not necessarily. We will announce that point when the time comes.

[Reporter] [Words indistinct]

[De Leon Carpio] Not at this time. I was surprised yesterday to hear a report on an evening newscast stating that I had not fulfilled my pledges, that I attended the inauguration of (?Icapic), and they showed photographs of me during that inauguration. It was also said—which I am taking advantage of this opportunity to deny—that I had gone to Crema House and that I had refused to meet with people. All of this is absolutely false, and I regret this display of journalistic irresponsibility. I had a special guest from abroad, an international guest here at the Presidency, and he is the one who visited the [word indistinct] minister. Imagine the confusion and speculation as to whether I was having problems. As many of you know, I was fulfilling my (?duties) and commitments. I am taking advantage of this moment to deny these reports and to ask you to reflect on the irresponsibility of making untruthful disclosures. I understand, however, that things like this occasionally happen.

[Reporter] The peace negotiations will resume on Friday [21 October]. What is the Guatemalan Government's position? Do you believe the agreement will be signed in December?

[De Leon Carpio] On this and other issues, we will display the same political resolve we have shown from the time we presented the national peace plan, approximately one year ago until now. We will approach the negotiations with the same real, authentic, political resolve to approve the issue with which we are dealing at present, the identity of the indigenous people, and we will subsequently deal with other issues. We are willing to expedite the negotiations, to sacrifice ourselves by working with the commissions representing us to recover the time lost over the past two months. We hope the URNG [Guatemalan National Revolutionary Unity] will display the same resolve. If both sides have true political resolve, we will recover the time lost and fulfill the agreement we signed in January this year, whereby we would sign a peace agreement before the end of 1994.

[Reporter] How will security be reorganized?

[De Leon Carpio] We are working very intensely on this matter, and we will disclose that information in due time. I can inform you, however, that we are going to provide security. What we have now is citizen insecurity, and I am going to provide citizen security within the short and

medium term. Of course, we must achieve total security. I mean, citizen security, in addition to national security, which entails terrorism and the presence of subversives or guerrillas in certain parts of the country. I am speaking primarily of citizen security. What we intend to do is reorganize and establish the foundations for strong security in future administrations.

Now that we have overcome the political phase, which no longer keeps me up at nights or worries me, and the institutional phase, the people want us to deal with three basic topics. One of them is the social aspect: poverty, destitution, exploitation and injustice, which we must deal with clearly. We must increase the awareness of all sectors to prevent the nearsightedness even blindness of certain groups refusing to acknowledge the crude reality with which our population is faced. Eighty percent of our people are living in poverty, and of that 80 percent a large number are surviving in extreme poverty and destitution.

The other topic is security, because the people are insecure. We are going to deal with this matter now that we have overcome the other phases. The third topic, which is closely related, is the peace process and respect for human rights, both individual and social.

[Reporter] Concerning security, will the Army have troops on the streets, cooperating with the civilian police?

[De Leon Carpio] Concerning security, we are planning a total reorganization that will guarantee safety and allow Guatemalans to feel strengthened by their security authorities. We want the people to feel they are protected and supported by the actions of the new security forces.

[Reporter] The (?defenders) of the Constitution have proposed that 5,000 soldiers be reinstated in the civilian security bodies.

[De Leon Carpio] There are many proposals, and some of them are very viable; others require greater study, and others are ideas and things that come from people's minds. We have many proposals, advisory services, and backing from certain academic institutions in Guatemala. We have received offers of technical assistance from other countries. We are receiving all of that and are enhancing our own initiative in order to announce at one point and implement our restructuring, meaning obtaining results in the short term or immediately, so the people can psychologically feel the change brought about by the fact the government is going to devote its attention almost exclusively to the security of citizens.

[Reporter] [Words indistinct] to increase the number of Civil Guard members?

[De Leon Ramiro] Yes. There are exceptions in the austerity policy, particularly concerning security, health, and education. We have exempted these areas from the austerity policy, and we will have to increase security personnel despite the financial problem. That reason is

why we are confident and hope the CACIF [Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations] will cease hampering or pressuring, to put it that way, Congress against approving laws. Fortunately, as representatives of industry, commerce, agriculture, and even banks told us yesterday, the CACIF no longer represents the business segment. Approximately 6 percent of the business segment belongs to and subscribes to CACIF.

In fact, I have received the support of a large percentage of the business sector that does not exactly agree with the manner in which the CACIF leaders have acted. They have told me—and I concur with them—it was not really the best interlocutor in the negotiations and consultations made regarding the fiscal laws. It was not reliable or experienced; perhaps it was inexperienced. As they themselves have admitted, the group was not the best interlocutor between the business sector and the government. That point is why it happens that today there is no agreement of any kind on aspects on which we had agreed. The people do not view this in a positive light. The business sector has to be aware that those who have the most and earn the most have to pay the most. It is the one that has to pay the most.

If there is something unjust in this country it is the tax system. For that reason, we are confident the honorable Congress of the Republic, the new Congress, knows this point and will decide what is best for the country, and not for this government, given it only has 15 months left and can find a way to solve its budget problem. It is to establish the basis to improve finances. Most of all—and this point is something we have achieved and has been very positive—different sectors and different sectors with clout, the economic sector in this case, have not had ministers to do their bidding for the first time, as it used to in the past. I mean, the Finance Ministry is a ministry belonging to the government, not the business sector.

There are no more telephone calls or briefcases sent to the Finance Ministry, let alone the deputies, let alone the president. There are no deals. The ministers are no longer handled that way by certain sectors. Things are changing, and it is good to know that point, because—I repeat—a powerful sector no longer has absolute control over finances. The decisions in the past on what taxes to levy or not were made over the telephone. This sector was consulted, but the president made the final decision on the fiscal policy, and it is subject to approval by Congress.

[Reporter] Does this point mean the executive is now sovereign regarding its decisions, and only [words indistinct]?

[De Leon Carpio] Pardon me?

[Reporter] The private sector does not impose its views.

[De Leon Carpio] That is right. It did not impose its views on the executive, and it will not in the remaining

15 months. That has ended. That is history; that has to change in Guatemala. Admittedly, it is a powerful sector and deserving of all my respect, because it is a productive sector. Concerning the productive sector, however, we are talking about capital and labor, employers and employees. This is a pressure group, as it happens everywhere in the world, but the era during which it named and dismissed ministers is a thing of the past. The era during which they named the economy and finance ministers, etc., ended with this government, and I believe this is a good step forward.

This does not mean that we are not engaging in consultations, that we are not hearing opinions. But neither this point nor aspects of corruption exist. This problem is something we have overcome. I reiterate, there were cases in the past in which it sufficed to make a telephone call to the finance minister, because it was their finance minister. In this case, the finance minister is of the government of the Republic. It is not a ministry that has left the [word indistinct] or is headed toward the [word indistinct]. This is historic, as I have said. We are overcoming that stage.

[Reporter] Do you have the names of the individuals who are going to be part of the National Electricity Institute Board of Directors?

[De Leon Carpio] No, not yet. As I said this morning, I did not share the views of certain businessmen who belonged to the Guatemalan National Electricity Institute Board of Directors. They wanted an across-the-board increase of electricity rates for everyone—businesses, commerce, industry, and those who use electricity the least in the country. Representing the majority stockholder, I was firmly opposed to that point. I have to look at things not only from the economic and material viewpoint, but I also have to consider the overall political aspect. If we increased electricity rates, we would be making the people poorer and would be contributing to runaway inflation. I could not allow this occurrence. In view of such a contrasting position as that, they had no other recourse left but to resign. They would have had to leave anyway. I could not allow an increase in electricity rates, a readjustment as they wanted, which would have caused inflation and would have affected 70 percent of the people who do not even enjoy that service. The statements made by some of them deserve all my respect, but, logically, I do not share their views. I believe the Guatemalan people, except for a small group of Guatemalans, tend to agree with me. We would be imposing more punishment on the Guatemalan people, something I am not willing to do. All the contrary.

[Reporter] Who is the mysterious visitor to Guatemala?

[De Leon Carpio] No, not mysterious. It is a visitor from the many countries of the international community who came to offer us cooperation.

[Reporter] [Words indistinct]

[De Leon Carpio] That could be. [laughter]

[Reporter] Vice President Herbruger said yesterday you should desist from requesting the extradition of former President Jorge Serrano. What is your opinion on this issue?

[De Leon Carpio] I have much respect for the opinion of the vice president. Rarely have we not seen eye to eye on matters, because the lucidity and clarity of Herbruger Asturias' argument is very clear. In this case, however, I think I must insist. I repeat, I respect his opinion, which is not a state policy but is his own personal opinion. I believe governments owe themselves to the people's wishes. The president of a nation owes himself to the people's demands.

Polls indicate the people would like us to insist and to bring not only former President Serrano but also those who are outside of Guatemala and inside and to bring them to trial. This point, unfortunately, is not an easy thing to do, either to bring them back or bring them to trial, for lack of evidence. I believe we must insist, out of respect for the wishes and demands of the Guatemalan people.

If there are charges made against former President Serrano, especially crimes against national economy, for misuse of government funds, of illegal enrichment at the cost of the Guatemalan people, I believe he should be extradited, brought to trial, and proven guilty or not. I believe the least we can do is try to get him extradited and have the justice tribunals of Guatemala, above all now with a new court and a new courtroom, try him and acquit him or find him guilty of the charges leveled against him, which I believe are over 10 charges.

[Reporter] When are you going to reveal the name of the person who will be responsible for the privatization of state-owned companies?

[De Leon Carpio] I believe this point is something that has somehow been disclosed. I have not received authorization from him, however, or, better said, I have to speak to him first. He has already accepted the offer and has already assumed office. I want to stress this step is a very important one in the right direction.

There are very few enterprises in Guatemala that can be privatized. This process will be conducted openly, so as not to go from a state-owned monopoly to a private monopoly. You can rest assured this will not be the case. This was the first condition the appointee established in order to accept the appointment, that this was not a matter of transferring the state-owned monopoly to a private monopoly. It would be like [words indistinct], as the people say.

We will announce shortly the name of the person who will head this process and the plan he will develop. By the way, today, when speaking to the ambassador of Czechoslovakia, he [words indistinct] interest in developing an electric cost to coast train, a dry channel. There

is the oil pipeline and a world communication cable. In other words, what we did with [word indistinct] was a great step. After 30 years, we were able to prepare for the privatization by allowing the state of Guatemala to maintain the right of way, which is what is really important. One thousand workers received compensations and fully agreed to this measure. They had made such requests for various years. I meet with them periodically and will invite them to travel on the train in Guatemala to also review the removal of people living on the railway surroundings, who will not be left homeless. On the contrary, we will take care of them. But what I want to tell you is that when things are done openly and in good faith as [word] indistinct was done, things advance well.

Today, we are prepared for an open privatization process, and there are various countries interested in investing in this phase.

[Reporter] [Words indistinct] what undertakings?

[De Leon Carpio] We have received offers to build a dry canal, an oil pipeline, a submarine communications cable, an electric train.

[Reporter] [Words indistinct]

[De Leon Carpio] My intention is to lay the foundations for these projects. In certain cases, we will perhaps be able to conduct successful privatization processes; in other cases, perhaps not. In the case of INDE [National Institute of Electrification], for instance, the idea is to demonopolize so private companies can more effectively distribute energy. In other cases, there may be privatizations, or the process may be initiated. First, we need a legal framework to undertake this process. Concerning energy, I have decided to allow the full opening of all projects. There are many thermoelectric and hydroelectric projects to generate energy with our own fuel, the petroleum produced by entities exploiting petroleum.

I hope to be able to add at least 300 megawatts to the power-generating capacity by the end of my term. This will permit us to avoid problems of energy shortages as other countries are experiencing. In Honduras, for instance, there are 14 hours daily, seven in the morning and seven in the evening, of energy rationing. El Salvador is confronting problems, and so is Costa Rica. We are also facing difficulties due to other reasons, but we are preparing to resolve the same by the end of our period.

Honduras

Foreign Minister Discusses Relations With Cuba

PA2310002594 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 19 Oct 94

[Interview with Foreign Minister Ernesto Paz Aguilar by unidentified reporter; place and date not given; from "The Morning Paper" newscast—recorded]

[FBIS Translated Text] [Paz] The government of the moral revolution hopes to broaden its diplomatic and commercial relations in the world.

[Reporter] Mr. Foreign Minister, can we talk about a total renewal of relations between Honduras and Cuba after the meetings between Culture and Tourism Minister Rodolfo Pastor Pasquel and Cuban leaders?

[Paz] Not yet. As someone has said, diplomatic and consular relations with countries with which we do not have relations will fall on their own weight. We have expressed our concerns to the Cubans and have also stated our position on the Cuban situation. I repeat that Honduras has stated Cuban problems must be resolved primarily by the Cubans themselves, without any type of exclusions. The Cubans at home and abroad must contribute to the solution of Cuba's problems within the framework of Cuban laws. We have asserted and the president of the Republic has stated that we would want to see a democratic opening in Cuba. We have said, with the best intentions, the only way Cuba can return to the inter-American system is by adjusting its institutions to the rest of the countries on the continent.

[Reporter] This move will take a long time then, because dictator Fidel Castro is still there.

[Paz] I believe the ball is in Cuba's court. They will have to make certain opening overtures. We, for example, welcome the Cuban Government's signing of the Tlatelolco Treaty on the Nonproliferation of Nuclear Weapons. The Cuban Government has also announced it will receive in Cuba the UN high commissioner for human rights. Those two events are positive, and we are pleased they have occurred.

[Reporter] [Words indistinct]

[Paz] Excuse me?

[Reporter] Will you visit Cuba?

[Paz] It is on our agenda to reciprocate the visit by the Cuban foreign minister to our country, but we have not set a date yet, but perhaps, as the culture minister has recently done, we will visit Cuba in the future, always following the instructions of the president of the Republic.

[Reporter] What are the procedures to be followed to renew diplomatic relations?

[Paz] The regular procedure is an exchange of notes in which you simply state you are renewing diplomatic relations. I must tell you Cuba is a country that has relations with almost all the Latin American countries, including the United States. Cuba's relations with the United States are on another level. There is a U.S. Interests Section in Cuba, and there is a Cuban Interests Section in Washington.

Conclusion: All the countries of Latin America have relations with Cuba in one way or another. The only

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

countries that do not have any type of relations with Cuba, diplomatic, political, consular, or cultural, are El Salvador, Guatemala, and Haiti, those three countries only.

[Reporter] What is needed for Honduras to renew its diplomatic relations with this Caribbean island?

[Paz] I believe diplomatic relations are the formalization of an existent relation. It is more important sometimes to have a personal, direct, and friendly relationship. Diplomatic relations, as I said before, are between one state and another, between one government and another. We hope that the situation in Cuba will improve very soon and that important changes will occur so Cuba can return to its natural sphere, the Latin American family.

Nicaragua

1995 Budget Aims To Promote Investment, Reduce Poverty

PA2210005394 Managua LA PRENSA in Spanish
19 Oct 94 p 4

[Report by Cesar Ubeda Bravo]

[FBIS Translated Text] Government officials said yesterday the 1995 general budget of the Republic seeks to promote investment and to reduce poverty. They also announced the creation of 67,000 new jobs, thus urging the Legislative Assembly not to make any changes in the budget.

Presidency Minister Antonio Lacayo said during a news conference the best remedy for the Nicaraguan economy is greater investment to create jobs. Lacayo was accompanied by other government officials during the news conference.

The Public Investment Program will use 1.988 billion cordobas to create 56,000 new jobs. The FISE [Emergency Fund for Social Investments] will implement 1,250 projects to create jobs for 11,000 people.

Lacayo added there will be a 15-25 percent increase in the amount of loans issued for the productive sector, a rate which is higher than in 1994.

"The government's economic policy is based on stability and has the support of international organizations," Lacayo said.

Lacayo said it must be clarified that increasing the 1995 annual budget would violate commitments made with donor countries and international organizations.

"It would jeopardize Nicaragua's chances of obtaining loans and international donations," Lacayo warned in an open reference to the legislative branch.

"This annual budget benefits the health and education sectors," Lacayo added.

The budget for 1995 allocates 580,406,502 million cordobas for the health sector, 356,843,593 for education, and 235,018,700 for the EPS [Sandinist People's Army].

The total amount for the 1995 budget is 2,940,760,800 cordobas, an amount equivalent to \$420 million.

"Changing this budget would cause a negative impact for Nicaragua," Lacayo reiterated after adding that 256 million cordobas (9 percent) will be allocated to pay the foreign debt.

He said 60 million cordobas will be allocated next year to repair highways and 1,600 km of roads in the coffee areas.

In addition to these works, Lacayo announced a substantial number of police and Army members will begin operations in the productive areas to end criminal gangs.

Jose Evenor Taboada, president of the Central Bank of Nicaragua, said the government's goal is to keep inflation under 10 percent.

"The goal is to reduce inflation every year. Inflation reached 20 percent last year, and it will be lower than 10 percent this year," Taboada said.

Presidency Minister Comments

PA2210234494 Managua Radio Nicaragua Network in Spanish 2330 GMT 18 Oct 94

[News conference by Presidency Minister Antonio Lacayo with local reporters and moderator Melisa Marin from the Presidency in Managua—live]

[FBIS Translated Excerpt] [Marin] Maria Lili Delgado, of (2Foset) Television.

[Delgado] I would like to know.... [pauses] You people have said this budget has increased by 5 percent. What effect will devaluation and inflation have on the amounts allocated for the Health and Education Ministries? Will these amounts increase or decrease? Another question. I understand the government expects \$500 million from donor countries to bolster the amounts allocated to hospitals. In addition, it is essential to approve the TELCOR [Nicaraguan Telecommunications and Postal Services] proposal, which was introduced at the assembly and started to be debated today. Virtually no one agrees with this proposal; nevertheless, you people expect it to be passed, considering it is essential. It could affect the property ownership problem, however.

[Lacayo] The first thing that must be clearly understood is that the TELCOR proposal was introduced at the assembly on 13 September. I say this statement, because it was publicly affirmed only a few days ago that we had lied when we said it had already been introduced on that date. The proposal was debated today, because it had

already been at the assembly since 13 September. There was probably some mistake. Anyway, I hope I have made it clear that we never lied.

It is important that a proposal permitting the participation of private individuals in the telephone field in Nicaragua be passed. This point is important, because one of the few matters on which we Nicaraguans generally agree is the need to settle the problem of property ownership. Everyone wants this problem, which was handed down to us by the previous government, to be finally solved. This problem could have been resolved since 1990 had the solution been easy. The solution will consist of, however, returning what can be returned. We have made considerable progress on this issue. It is necessary to compensate those whose properties were unfairly seized and cannot be returned. It is necessary to compensate them as a form of doing them justice.

We must issue ownership certificates to those who have been benefited with a property by Agrarian Reform Law No. 85 or Law No. 86. We have already made progress in issuing property ownership certificates. The first ownership certificates on plots of land covered by Law No. 86 are being handed over this week. This is different from the allocations of the Office for Territorial Organization [OOT].

Ownership certificates are being handed out for whatever properties have been allocated. These ownership certificates will be properly registered, with their corresponding cadastral numbers, at the public registration office at no cost to beneficiaries of Law No. 86. We are progressing in this area; nevertheless, to properly compensate those who were unfairly harmed by the Sandinist government, we have to obtain money from some source. We are convinced we could not include in the national budget an allocation for compensation, because people would say the money should be earmarked for health and education. We have had to liquidate government assets for this reason so they can serve, as Mexican President Salinas has said, to correct evils.

In this case, TELCOR, which is a valuable state property, must be sold to correct evils and help solve the problem of property ownership. The longer it takes to approve this important proposal at the assembly, the longer it will take to settle the problem of property ownership.

I believe it is normal to have a heated debate on this subject the first day. I am certain the deputies will show enough maturity to understand, as they indeed do, that we all want the problem of property ownership to be settled. The approval of TELCOR's privatization is in the hands of the deputies. If the proposal is approved, we will soon be able to sell 40 percent of this corporation to any of the important international enterprises which originally qualified several months ago.

Finally, the person whose property has been confiscated and who has received a bond will be reassured it is not a

wet piece of paper but something valuable. The possessor of bonds will start receiving beginning in June next year the interest stamped on the documents. This procedure will give the bonds credibility and make the owners of confiscated property more willing to accept the bonds. We are taking a very important step with this procedure.

The person who accepts a bond authorizes the state to register his property in the state's name. Once the property has been registered in the state's name, an ownership certificate can be issued to the person. If the person does not accept the bond, the property will continue in many instances to be in his hands, not in the state's; therefore, the state cannot issue an ownership certificate to the peasants who already occupy it. The peasants will demand ownership certificates, but the state cannot issue them on a property not owned by the state. This reason is why it is important, in a state of law, to go hand in hand with the law. We are taking this opportunity to invite the deputies to debate this subject expeditiously, as it deserves. [passage omitted]

[Marin] Francisco Talavera, of Radio America and Stereo Sol.

[Talavera] During your meeting with the Chamber of Industries today, what commitments did the industrialists make with next year's production, given that you said the productive sector will have privileged access to loans? I understand that Mr. Ramiro Gurdian has received a loan from a Nicaraguan bank and has invested only a very small fraction to plant bananas; he has failed to tend them properly, and the bananas have burned. A La Candelaria worker has told me so. The bulk of the loan was sent to Costa Rica. What is the private sector's commitment with production next year? I also want you to answer the question made by journalist Solorzano on the case of MARENA [Ministry of the Environment and Natural Resources]. Is it true Minister Jaime Incer Baquero has filed charges?

[Lacayo] I already replied to your second question. I said I know nothing about any charge. At any rate, charges are presented to the president of the Republic, and Dona Violeta has been away since this morning.

Concerning the commitment of the Chamber of Industries, you would have to ask them. We had a good exchange to discuss the treaty on integration with Mexico, which is important, because we are on the final stretch of the negotiation of this agreement, a free trade agreement with Mexico which we would like to sign before the end of November. Mexico would open its doors to a large number of articles we manufacture in Nicaragua or could manufacture here in the future. We would also receive Mexican exports that we do not manufacture here and that we are purchasing on international markets. This step would be the first to achieve full integration within five or 10 years.

We agree with the Chamber of Industries that this agreement should be signed. They have only voiced

concerns with the speed of this process. We were frank with them and said we want to complete it before the conclusion of the mandate of President Salinas, who has been a very special friend of Nicaragua, of our president, and, thus, we know he would grant more favorable terms to our country due to our friendship dating back many years.

We have guaranteed we would definitely never include in the tariff agreement those items with which the Chamber of Industries is particularly concerned. Not only the Chamber of Industries but also small industries have worked shoulder-to-shoulder on this future agreement with the Nicaraguan Economics Ministry. This agreement will send a clear signal to Mexican investors that Nicaragua is a country of opportunity. They can invest here and send tax-exempt products to Mexico that would perhaps be easier and cheaper to manufacture in Nicaragua than in Mexico due to the labor cost.

Concerning the issue of loans to grow bananas, I must say banks under our government have become increasingly autonomous, including state-owned banks. This point is something the Bank of Nicaragua Board of Directors will have to analyze. Its members have acquired a commitment before the president of the Republic to manage such institutions in the best way possible. [passage omitted]

[Marin] Please phrase the questions concretely. Roberto Lario, please ask your question.

[Lario] I have a question for Mr. Lacayo. I am looking at the budget's breakdown and see that the Presidency's Social Communications Directorate has a budget of 4,351 million cordobas, an amount 300 percent more than the DIPP [Directorate of Information and Press of the Presidency] budget for 1994 and much more than the 3-million cordobas budget assigned to the FISE [Emergency Fund for Social Investments] for 1995. I would like to know whether the decision to increase the DIPP budget by 300 percent is a political one, especially if one considers that the electoral race starts next year.

[William Roy] William Roy, from [words indistinct]. At the National Assembly this afternoon.... [pauses] Mr. Lacayo, at the National Assembly this afternoon, the deputies questioned the bill to privatize TELCOR. I understand the bill did not really meet the requirements to be one but was, rather, a technical proposal to incorporate private sectors to TELCOR. Deputy and Representative Dora Maria Tellez went even further and said they knew that the executive had the intention of privatizing TELCOR through a law decree and that this was totally illegal. I would like your comments on this matter.

A question for the Central Bank president. What is your opinion on the assessment by officials of the IMF and World Bank on the staff [previous word in English], and what were their recommendations for the general budget of the Republic? [passage omitted]

[Lacayo] We will try to answer the questions that correspond to each of us. On the question posed by Don Roberto Lario regarding the Social Communications Directorate, I do not know how it can be reduced further, because it has gone down from last year's 4,439 million cordobas to 4,351 million cordobas. In other words, the directorate's budget has been reduced. One has to take time to read these documents carefully, because if not we are apt to make mistakes when we study its figures. This directorate, as well as all the ministries, are reducing their budgets a bit so that the health and education budgets can be increased. This directorate's budget was reduced from 4,439 millions to 4,351 millions. It was a reduction.

Regarding William Roy's question on TELCOR, we don't see why it is said that we intend to privatize TELCOR through an executive decree when the law is in their hands. I have a copy of the draft bill that was sent to the National Assembly, and they are the ones who have to approve, modify, or do anything else with it. They are to study the draft bill to establish the legal instrument to incorporate particulars in the operations and expansion of our telephone services. Thus, it cannot be that the government is seeking to privatize it with an executive decree as you say Deputy Tellez has stated. The deputies have had the bill since the 13th and are debating it. This assertion is absurd.

It seems this issue has prompted great interest; thus, we are going to ask the Social Communications Directorate to make photocopies, and they will be available tomorrow for those who want to come by and pick up a copy. It is a very important issue. There are no bad intentions here. We have been working on this project for more than two years with the OAS, AID, Price Waterhouse, and several advisers. We wanted to achieve something that has already been done in Cuba. This point does not mean we are not going to do it just because it was done in Cuba. We are going to do it because we have to resolve the property problem. That is why it is so important to proceed with the bill.

Regarding Jose Medina's question, which was rather a request, I believe this government has furthered from the start what he calls the concerted effort. We have managed to get the government, the unions, and the business sector to sit down together for the first time ever—this meeting took place in October 1990, exactly four years ago—to try and find a way to accommodate their interests. Such interests are sometimes a bit conflicting as in every democracy.

We have not attended a single meeting where someone does not ask that education, health, wages, schools expenditures be increased and, at the same time, that taxes be reduced, that the IGV [general value tax] be reduced, and so forth. How can we blend lower taxes with more expenses? This measure cannot be done. As people say, this point goes beyond our possibilities.

If you earn 1,000 or 2,000 cordobas, you have to see how you are going to live with that. If a country has an

income of somewhat more than 2 billion cordobas, that is with what we have to live. We have to reach agreements. We definitely agree on that point. We have to reach agreements.

As a government, we are quite interested in integrating the National Development Council as soon as possible. It would now be called the National Sustainable Development Council, in the spirit of the determinations taken by the Central American presidents. This council would include representatives from government, business, unions, and other forces in the country and would work to design a program of sustainable development to be able to answer these demands, which seem conflicting sometime, in an orderly and effective manner. [passage omitted]

Panama

President Lifts Economic Sanctions on Haiti

PA2210163694 Panama City LA PRENSA in Spanish
22 Oct 94 p 2

[Report by Ibeth Vega G.]

[FBIS Translated Text] The government of President Ernesto Perez Balladares has lifted, by means of an executive decree, the sanctions and economic embargo imposed on the de facto government of the Republic of Haiti.

According to Executive Decree No. 315 of 12 October 1994, the Panamanian Government deems that the political conditions that led to the imposition of the economic sanctions on Haiti have been overcome.

That is why the government has repealed the decrees imposing the trade and economic embargo on the Caribbean island.

The UN Security Council and the OAS adopted sanctions and imposed an economic embargo on the de facto government of deposed dictator Raoul Cedras, who led a coup d'etat to overthrow constitutional President Jean-Bertrand Aristide.

Following the negotiations headed by former U.S. President James Carter, Cedras relinquished power two weeks ago and traveled to Panama where he received political asylum along with his family. Meanwhile, Aristide returned to Haiti and initiated a democratization process in the small Caribbean island.

"It is indispensable to offer all cooperation for the restoration of democracy and an economic, social, and cultural progress in the Republic of Haiti," the Executive Decree states.

The Executive Decree carries the signature of President Perez Balladares and Acting Foreign Minister Omar Jaen Suarez.

Article 179 of the Constitution allows the president of the Republic to direct the country's international relations with the assistance of the foreign minister.

Cedras Reports to Immigration; To Stay at Least 1 Year

PA2110191994 Panama City LA PRENSA in Spanish
21 Oct 94 p 1

[Report by Manuel Alvarez Cedenio]

[FBIS Translated Text] Since his arrival in Panama one week ago, Raoul Cedras had his first contact with the press yesterday when he went to the Immigration Department. At first he responded with a smile and with a harsh look at the reporters who showered him with multiple questions.

Cedras went to the Immigration Department to register his arrival in Panama and to report that he would remain in the capital for at least one year.

The Haitian military leader was given documents that legalize his stay in this capital.

Accompanied by his lieutenant, Major Philippe Biamby, Cedras arrived at the Immigration Department at 1600, speeding in a blue vehicle that almost ran over some reporters who were covering his arrival.

Cedras' attempts to avoid being filmed and photographed were not successful.

LA PRENSA asked him how he felt, what he thought of Jean-Bertrand Aristide's return, if he had liked Coronado beach, and his opinion about the accusations of murder against him in Haiti.

At first he replied with a smile and later he gave the reporters a harsh look until Immigration Director German Gil Sanchez arrived, embraced him, and then led him to the stairs that lead to his office.

Ernesto Perez Balladares' administration—according to his words—granted Cedras asylum, to contribute to the reestablishment of democracy in Haiti.

Cedras, his wife Yannick, their three children, as well as Biamby and his mother, have been staying since their arrival one week ago at the Riande Continental, a luxury airport hotel where they pay their own expenses.

It was reported that Cedras is looking for a home in Panama and it was also said that last weekend he went to Coronado beach.

Just as when he arrived at Tocumen Airport one week ago, Cedras arrived at the Immigration Department impeccably dressed.

Asylum Status Conditional

PA2310174294 Panama City LA PRENSA in Spanish
22 Oct 94 p 3

[Report by Jose Otero]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] National Immigration Director Jose Gil Sanchez has announced that General Raoul Cedras' stay in Panama and the Haitian coup leader's possibility of renewing his political asylum status are conditional on his behavior.

The official said that if Cedras breaks the local laws, he may be deported. If he shows good conduct, he will have the right to remain in the country for as long as he wishes.

On Thursday [20 October], the deposed Haitian general received his identification card certifying his political asylum for one year. His wife Yannick, aged 40, his children—Raoul, aged 17, Michelle aged 14, and Cristian aged 10—Philippe Biamby, the 42-year-old former chairman of the Haitian Joint Chiefs of Staff, and his mother, Micheline Valbert, also received their identification papers.

Sanchez explained that Cedras and his retinue were granted political asylum based on immigration laws which allow him to move freely about the country and carry out lawful profitable activities.

"He (Cedras) is in the country legally, but if he breaks the law, his asylum status will be suspended and he may be deported," Sanchez added.

It was learned that Cedras, his relatives, and his friends may move about freely anywhere in the country. They may also leave the country with special permits from the Foreign Ministry.

They may also carry out profitable activities for as long as their special resident permits are valid, provided such activities are not reserved by law to Panamanians only.

The beneficiaries of this asylum also enjoy freedom of speech, unless their statements constitute a systematic call promoting the use of force or violence against the government of another state.

Cedras and his retinue have the same rights to meet and form associations as does any other immigrant, as long as such actions do not affect the host country or a friendly government.

The former de-facto Haitian ruler and his family are currently staying at the Riande Continental Hotel in Tocumen.

Ex-Guatemalan President Serrano Returns

PA2210013594 Panama City LA PRENSA in Spanish
21 Oct 94 p 1

[Report by Manuel Alvarez Cedenio]

[FBIS Translated Text] Former Guatemalan President Jorge Serrano, who has been in asylum in Panama since last year and who had left the country for a vacation, supposedly in Europe, returned to this capital yesterday, a close collaborator of the former president has told LA PRENSA.

"I have just talked to him, and he is doing fine," Serrano's collaborator has said, but he did not give additional details.

It was reported Serrano returned to Panama yesterday afternoon in a KLM Dutch airlines flight, but it was not revealed where he boarded the plane.

According to his friends in Panama, Serrano left the country with his wife and children on 6 September for a vacation in the Caribbean and Spain.

Panamanian President Ernesto Perez Balladares had said Serrano left the isthmus after receiving death threats from Guatemalan guerrillas, a statement which the Guatemalan rebels have denied.

Meanwhile, Panama informed Guatemala yesterday of the former president's departure on 6 September, local diplomatic sources have stated.

The Guatemalan Embassy here has asked Panama for a report on the occasions Serrano had left the country since his arrival on June 1993, following his unsuccessful coup on 25 May 1993.

President on Party Discontent Over Jobs

PA2310044194 Panama City LA PRENSA in Spanish
20 Oct 94 p 1

[Report by Manuel Alvarez Cedenio and Vilma E. Figueroa B.]

[FBIS Translated Text] President Ernesto Perez Balladares said yesterday his government "is not an employment agency." Although he admitted there is "discontent" in the rank and file of his party, the PRD [Democratic Revolutionary Party], because certain members want to obtain government jobs, the president said his job is to govern for the official and opposition sectors.

PRD leaders have charged that government ministers have closed the door on the noses of the PRD members and warned that this attitude could prompt a national crisis.

"I understand their ill feelings, but I repeat that my election responds to the national request and desire that I manage to generate jobs for all Panamanians," for both those in government and in the opposition, he said during an improvised news conference at the presidential palace. "Unfortunately, this does not mean all Panamanians will be able to work in the government," he added.

The president said he is doing "what he must as the president: to create the necessary conditions to modernize the economy so as to boost investments in the country and to further employment." He also said he does not believe "anyone in his right mind could suppose the government is the one that has to provide all the job solutions" in the country. Perez Balladares said this has required a social effort by the entire country to generate the jobs we need.

Regarding the criticism of the PRD members, he said: "Of course, I do feel a political commitment to the members of my party, and I am complying in the measure of the possibilities." He added that "it is also true, however, that the hunger felt by the child of an Arnulfist Party member is the same as the one felt by the son of a PRD member."

Meanwhile, the PRD's Eliseo "Cheito" Castillo (former president of an ephemeral unemployment organization) has recalled that Perez Balladares had promised good-paying jobs to all Panamanians during his political campaign and is "betraying" his words today. "People with money have been given government jobs very easily. In contrast, the PRD ranks are getting the narrow end of the funnel. It is very easy to ask for patience when the people with money already have the jobs," he has said. There are thousands of PRD members who need a job that pays \$200, and they still have not gotten it. This is what we are demanding, he added.

Castillo has said they are preparing a list to challenge the current PRD CEN [National Executive Committee], where Perez Balladares is the current secretary general. They plan to defeat the current CEN at the party's next elections, which are to be held in October 1995, because it has not given the party members "appreciation or response."

PRD Legislator Miguel Bush insisted yesterday the president should call an urgent meeting between the PRD CEN and the PRD legislative bloc to "find an immediate solution" to the problem of jobs for their fellow party members. "I say yes; the PRD rank and file is paying for the concerted effort. We are willing to pay it, however, but we cannot allow noncompliance with the president's electoral promises on the reinstatement of the people who were fired under Law No. 1," he said. Bush warned: "We are going to see to it those electoral promises are complied with."

PRD Legislator Alberto Aleman Boyd has said the members of the legislative branch were elected by the people, while ministers and directors of autonomous institutions "were hand picked." Aleman Boyd has said the crisis in the PRD rank and file already "exists," as there is generalized discontent.

Referring to President Perez Balladares' statements that the government is not an "employment agency," the legislator said that he has respected the president's opinion but that it should be recalled the legislators are the ones who are receiving all the pressures from the people who are looking for jobs. "We are here thanks to the people's vote, but others, we must say with due respect, were hand picked," he has said.

Aleman Boyd has complained that the ministers and directors of autonomous institutions, who were not elected by the people, have the authority to appoint, fire, or reinstate a government employee. "We are being blamed for this situation. I want to clearly state, however, that legislators cannot appoint people."

Legislative Assembly President Balbina Herrera has also criticized the manner in which the legislative branch is being treated. Herrera has asked that legislators be respected and charged that directors of government institutions do not return the legislators' calls.

She has requested that all the Legislative Assembly members unite to find solutions to the job requests and said she has considered that it was necessary to create temporary jobs. The legislator has expressed her concern, because there are still no signs of jobs, and the Christmas season is approaching. She is thus recommending that the legislators discuss a program that would provide jobs before the end of the year. "We understand the government cannot become an employment office, but the legislative branch has to find ways to give jobs to the people in the rank and file of all the political parties," she has said.

Argentina

Country Wins Case Against Chile on Disputed Land

PA2210174194 Paris AFP in Spanish 1551 GMT 22 Oct 94

[FBIS Translated Excerpt] Buenos Aires, 22 Oct (AFP)—Argentine political leaders, congressmen, military officers, and journalists unanimously expressed their satisfaction today following the international arbitration that granted the country sovereignty over the territory in dispute with Chile.

President Carlos Menem, a neo-Peronist, announced from Germany on Friday that the ruling favored Argentina in the dispute over Laguna del Desierto, which sparked a chain reaction of opinions of satisfaction and relief. [passage omitted]

The judges, gathered in Rio de Janeiro and headed by Colombian jurist Rafael Nieto, notified both governments that the 530-square kilometer border area, located 2,500 km southwest of Buenos Aires, belongs to Argentina. [passage omitted]

General Martin Balza, chief of the General Staff, said the result of the arbitration "demonstrates the maturity of both countries, because it was the best way of solving the problem." [passage omitted]

Foreign Minister Guido Di Tella told a Buenos Aires radio station from Germany that "justice has been done according to international criteria, and now we can continue building the future with the Chileans." [passage omitted]

The court's vote favored Argentina, three to two, and established the boundaries of the territory in accordance with the thesis upheld by Buenos Aires.

Menem Comments on Ruling

PY2210011394 Buenos Aires TELAM in Spanish 1804 GMT 21 Oct 94

[FBIS Translated Text] Munich, 21 Oct (TELAM)—Shortly after arriving in this city today, President Carlos Menem said that "if the decision favored Argentina, it is because we were right." He was referring to the arbitration decision on the Laguna del Desierto border difference with Chile.

The president, however, was categorical in warning that "we must not assume a victorious attitude, not at all, as we have very good relations with Chile, but, well, these things happen in politics."

Menem made exclusive comments to TELAM at the Four Seasons Hotel in Munich, where he is staying. The president said the decision by the arbitration committee studying the case was "significant," as "it is the first time that this kind of decision has favored Argentina."

Asked about the only remaining border difference still pending with Chile, that of the Continental Glaciers, Menem said: "We must wait."

"There are agreements that must be approved by the two countries' congresses. Then we will see what we can do," the president said, referring to the treaty to establish the border line in this area that was signed by him and former President Patricio Aylwin.

Bomb Explodes at Post Office Garage; No Casualties

PY2110154394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1316 GMT 21 Oct 94

[FBIS Translated Text] Buenos Aires, 21 Oct (NA)—A home-made bomb exploded early this morning at a post office garage in Retiro District. The explosion merely shattered some windows.

Sources involved in the investigation pointed out that the bomb was probably planted by post office personnel who challenge the post office's privatization, bearing in mind that two companies interested in purchasing the post office experienced similar attacks last year.

Six employees and a private guard were inside the post office building on Rafael Castillo Street in Retiro District during the explosion. The bomb went off at 0100 today.

The home-made bomb, manufactured with aluminized black powder and activated by a detonating fuse, was planted in a garage where about 30 pick-up trucks used to distribute parcel post are usually parked.

Bolivia

Text of Telecommunications Draft Bill

95SM0002A La Paz HOY in Spanish 10, 11 Sep 94

[10 Sep p 18]

[FBIS Translated Text] The first part of the latest draft of the Telecommunications Bill, which will regulate services in this sector, has been obtained by this newspaper and is being printed here for the reader's consideration. This bill consists of seven titles and 46 articles. It will be submitted for debate and passage by the legislature next week.

Title I. Chapter I. General Provisions

Article 1. Objective. The objective of this law is to set standards for telecommunications services.

Article 2. Application. This law, its regulations, and any related norms shall regulate telecommunications broadcasting, transmission, or reception, both external and internal, originating or terminating in national territory. In addition, they shall regulate all equipment utilized to

provide such services. The provision of radio and television broadcasting services and the respective licensing shall be governed by separate regulations.

Chapter II. Definitions

Article 3. Definitions. (This article contains 43 definitions).

Title II. Chapter I. National Telecommunications Superintendency (ST)

Article 4. Functions. In addition to the powers set forth in the National Regulatory Commission Law, the superintendent of telecommunications (ST) shall exercise, as a minimum, the following powers:

1. To monitor, supervise, control, regulate, and order audits and assessments of telecommunications services.
2. To grant concessions, registrations, and licenses, and to modify, annul, or revoke same.
3. To control, administer, and coordinate the use of the electromagnetic spectrum and the media and equipment used to broadcast electromagnetic waves. Further, to authorize and regulate the use of frequencies and to protect against harmful interference.
4. To represent Bolivia at meetings and negotiations with national and international entities.
5. To establish the parameters and draw up the technical plans necessary to improve telecommunications services.
6. To establish the procedure for technical registration and certification of equipment and telecommunications networks.
7. To establish the requirements for an efficient interconnection of telecommunications networks.
8. To establish and maintain the national numbering plan to promote efficiency, convenience, and competition in telecommunications services and to assign numbers and groups of numbers to service providers.
9. To develop and establish the fee system and the rate structure, to collect fees, and to revise, authorize, or modify such fee system, rate structure, and other related charges, pursuant to this law.
10. To promote the offer of emergency services and other telecommunications services, with a view to improving the health, safety, and well-being of the customers.
11. To promote and defend fair and effective competition for the benefit of the customers.
12. To enforce standards, rules, concessions, registrations, licenses, contracts, and other requirements.
13. To impose fines, suspensions, revocations, and other penalties.
14. To set salary levels of professional employees, with the prior approval of the National Council of the National Regulatory Commission.
15. To establish internal regulations, necessary procedures, and the basic standards and regulations for the exercise and fulfillment of the ST's functions.
16. To promote the introduction of new telecommunications services and equipment, as well as the modernization, expansion, renovation, and extension of telecommunications networks.

17. To direct the use of telecommunications services toward economic development.

18. To resolve differences of a technical nature among entities holding concessions, registrations, and licenses, and between them and the customers.

19. To create development programs with the funding obtained from entities holding concessions, registrations, and licenses, in keeping with the objectives of this law, including the creation of programs designed to support universal service in the rural sector.

20. To adopt the necessary measures to carry out the objectives of this law and other applicable laws and regulations.

Chapter II. Budget

Article 5. The ST's budget shall be submitted to the National Council of the National Regulatory Commission for its approval. Funding for the budget shall come from the rates charged for services rendered to public and private entities in the telecommunications sector.

Chapter III. Jurisdiction

Article 6. The ST shall grant concessions, registrations, and licenses to natural persons or corporate entities, be they public or private, national or foreign, to install, operate, run, and maintain telecommunications services, without exception, within the national territory and from Bolivia to the rest of the world.

Chapter IV. Free Competition

Article 7. This law establishes a system of free competition in all geographical areas of the national territory, including those that are currently served by existing telecommunications companies.

Article 8. As an exception, to ensure the stability of the sector and the expansion of the national telecommunications network, a five-year period of exclusive rights is hereby established, during which the ST is prohibited from granting concessions for rendering basic national and international long-distance services to the public to any entity other than the telecommunications company capitalized under the provisions of the Capitalization Law.

Article 9. The exclusive rights shall expire within five years after the concession is granted. After that period, the ST shall grant new concessions, which shall be subject to the same conditions as those granted the telecommunications company capitalized under the Capitalization Law.

Article 10. During the period of exclusive rights, competing telecommunications companies may merge, provided that the ST gives prior approval.

Title III. Chapter I. Concessions

Article 11. To provide telecommunications services to the public, the operator of a public telecommunications network must first obtain a concession from the ST. Such

concession shall be granted according to the public bidding procedures set forth in current laws and regulations.

Article 12. The concessions granted by the ST shall contain provisions governing the following matters:

- 1. Facilities and types of services rendered
- 2. Geographical area of coverage
- 3. Term of the concession
- 4. Subscribers' rights and protection
- 5. Minimum training of concessionaire's personnel
- 6. Regulation of rates for noncompetitive services
- 7. Equitable interconnection
- 8. Modernization, expansion, and development of the network
- 9. Obligations concerning rural service
- 10. Financial and administrative targets
- 11. Quality of service
- 12. Requirements for submitting accounting and audit reports and inspections
- 13. Granting or transferring the concession
- 14. Regulatory and concession fees
- 15. Obligations in emergency situations
- 16. Privacy in communications
- 17. Penalties
- 18. Termination of the concession
- 19. Prohibition of discrimination and unfair competition
- 20. Requirements for announcements in newspapers and other media.
- 21. Customer billing
- 22. Modification of the terms and conditions of the concession
- 23. Arbitration
- 24. Rights to Exclusive Use, as set forth in this law
- 25. Taxes
- 26. Bonds and other sureties
- 27. Accounting or structural division of operations

Article 13. The ST's plan for the expansion and development of the network shall determine the levels of expansion and development of the network to be required of any entity granted a concession.

Chapter II. Registrations

Article 14. Anyone who operates a private network that is not located entirely on the property of the network owner, and anyone who resells voice telecommunications services to the public shall, as an indispensable requirement, obtain a registration from the ST. Such registration may be granted to a natural person or a corporate entity, and the ST shall approve or deny the application for registration within 90 days. If no approval or denial is forthcoming in 90 days, the application shall be considered approved, and the respective public servant shall incur responsibilities.

Article 15. The ST may order the cancellation of a registration if it determines that it does not meet the requirements and other provisions of the law and its

regulations. The ST shall implement such cancellation by administrative resolution.

Chapter III. Licenses

Article 16. The use of electromagnetic frequencies requires the ST's prior authorization, which shall apply only to the temporary use of such frequencies. The authorization for use of electromagnetic frequencies shall be granted only when it is technically feasible and in the public interest. The ST shall maintain an updated registry of electromagnetic frequencies, to which the public shall have free access.

Article 17. The ST shall establish the procedures and terms for granting licenses for the use of electromagnetic frequencies. These procedures shall guarantee openness in the selection of the natural persons or corporate entities that qualify for licenses. The ST shall publicly announce the licenses to be awarded. In addition, said institution may create different types of services to be licensed. The ST may revoke or reassign the use of frequencies when necessary to serve the public interest.

Chapter IV. Cooperation

Article 18. In cases of civil or international war, civil unrest, natural disasters, and other emergencies, telecommunications providers shall cooperate with the authorities in the broadcasting, transmission, and reception of such emergency telecommunications as may be required.

Article 19. In cases of civil or international war or civil unrest, the Armed Forces shall have preference in the use of the ST. When special circumstances of national security so warrant, they may connect their systems with the ST and obtain the cooperation of telecommunications providers, without exception.

This law does not apply to the telecommunications established by the central government in connection with national security and defense, with the exception of the technical aspects related to the use of the radioelectric spectrum, which are subject to registration and coordination by the ST in order to avoid interference with customers or providers.

Chapter V. Interconnection

Article 20. The public telecommunications networks must necessarily be interconnected so that any subscriber to a public network may connect with a customer of any other public network.

Article 21. The ST shall regulate interconnections, establishing standards, principles, and procedures of general application, which shall be strictly enforced in concession contracts. This regulation shall reflect the policies set forth in this law, and in particular, it shall prevent irrational discrimination, undue preference, and the uneconomical installation of public networks. Interconnection charges shall be based on the costs of providing

the services involved in the interconnection. If such charges include a contribution to the cost of local public telecommunications networks, said contributions shall be those established by the ST.

Article 22. Anyone who is granted an interconnection concession shall assume the following minimum obligations:

1. To act in a reasonable, timely, and nondiscriminatory manner.
2. To facilitate interconnection so as to allow the resale of telecommunications services to third parties.
3. To provide, upon request, an interconnection equal in type, quality, and functionality to that provided by the concessionaire with its own facilities, as long as the obligations to be imposed are viable and appropriate, in accordance with this law, its regulations, and the technical requirements established by the ST.
4. In the case of interconnections that are inferior in type, quality, and functionality, the charges shall be set in such a way that they reflect the lower value of the interconnection offered.

Article 23. The terms and conditions of the interconnection agreements, including the fees to be charged, shall be negotiated and agreed upon between the parties and approved by the ST. If the parties cannot reach an agreement, either of them may request that the ST establish such terms and conditions. In the case of initial interconnections, however, the ST may establish terms, conditions, and charges that apply generally to all concessionaires.

[11 Sep p 18]

[FBIS Translated Text] Yesterday we presented the first five [as published] titles of the Telecommunications Bill, which deal with general provisions, definitions, budget, jurisdiction, free competition, concessions, registrations, licenses, cooperation, and interconnection. Today we complete the publication of this document.

Title IV. Chapter I. Violations and Penalties

Article 24. Violations. The following are violations of this law:

1. Engaging in activities or rendering services without a concession, registration, or license.
2. Failing to fulfill the terms of the concession, registration, or licensing contracts.
3. Repeatedly refusing to allow the inspection of the company, its equipment, facilities, books, documents, or similar elements.
4. Failing to comply with the obligations set forth in this law.
5. Using frequencies other than those authorized, and connecting to the public telecommunications network in a manner other than that authorized.
6. Expanding, modifying, or renovating networks without prior authorization from the Superintendency of Telecommunications.

7. Failing to meet the contractual obligations of enlarging, expanding, or developing the network to cover the growth in demand.

8. Transferring, assigning, leasing, or in any other way disposing of a concession without prior authorization from the Superintendency of Telecommunications.

9. Interrupting or hindering telecommunications services.

10. Transmitting false or misleading identification signals.

11. Unjustifiably opposing the interconnection of telecommunications networks.

12. Any other violations of the provisions of this law and its regulations, applicable legislation, and the respective concession, registration, and licensing contracts.

Article 25. Penalties. The violations set forth in the preceding article and any other violation of this law, its regulations, and applicable norms shall be punishable by the revocation or cancellation of the concession, registration, or license, or by intervention, warning, confiscation of equipment and materials, fines, or temporary or permanent disqualification from engaging in activities in this sector.

The penalties shall be imposed by the ST in accordance with the seriousness and frequency of the offense, the damages sustained by third parties, and the degree to which public interest is affected.

The amounts of fines shall be indicated in national currency, up to a maximum of 10,000 times the monthly minimum wage, in accordance with the seriousness of the offense, and pursuant to the regulations issued by the executive branch for that purpose.

Chapter II. Arbitration

Article 26. Any differences arising between the ST and concessionaires or providers regarding the interpretation of concession contracts may be submitted to arbitration, pursuant to current legislation. Differences of a technical nature may be resolved through arbitration, as provided in the concession contracts.

Title V. Chapter I. Fees

Article 27. Entities holding telecommunication concessions, registrations, and licenses shall be subject to the payment of fees for the use of the spectrum of electromagnetic frequencies. The ST shall regulate the amounts and forms of payment of such fees in keeping with the ceilings established in this law. Such fees constitute payment for the use of frequencies, and are not taxes.

Article 28. All of the ST's administrative activities relating to the granting and renewal of concessions, registrations, or licenses, as well as those involving enforcement of technical specifications and other requirements in the telecommunications networks, shall be subject to the following fees:

1. For concessionaires: up to 0.5 percent of gross quarterly earnings.

2. For entities holding registrations: up to 0.25 percent of the estimated market value of the equipment used, per quarter, or 0.5 percent of gross quarterly earnings, whichever is greater.

3. For licensees: up to 0.25 percent of the estimated market value of the equipment used, per quarter.

Article 29. Any telecommunications concessionaire or operator may request the revision of the rates set by the ST, in the manner prescribed by current regulations.

Chapter II. Rates

Article 30. Rates charged for noncompetitive services shall be regulated under the concession contract for such services. The price ceiling method shall be utilized for adjusting rates; in other words, prices may not be greater than a maximum previously established in the concession contract. This ceiling shall be based on the costs of rendering services, and may be adjusted periodically, taking into consideration the rate of inflation and improvements in productivity in the industry.

Article 31. Competitive services may be subject to the provisions of the preceding article if the ST determines that the concessionaire occupies a predominant position in the respective market.

Article 32. With regard to rates for noncompetitive services, the ST shall intervene to regulate only rate levels, not the net profits of the concessionaire. It shall adopt a regulatory amount that involves the application of an automatic adjustment formula by the concessionaire when rate changes are to be made, rather than a method involving frequent revisions and approvals. The concession contract shall include provisions that allow the Superintendency of Telecommunications to revise and, if necessary, modify the formula periodically.

Article 33. In setting limits on rates for noncompetitive services, the ST shall establish indices that reflect changes in prices in the economy as a whole, as well as other pertinent economic conditions. Adjustments may be allowed to compensate for other factors beyond the concessionaire's control, and increases may also be subject to limitations reflecting improvements in productivity targets, based on an analysis of such improvements in the company and in the rest of the telecommunications sector.

Title VI. Chapter I. Miscellaneous

Article 34. Telecommunications providers have an obligation to provide rural telecommunications services. Such obligation includes meeting the needs for maintenance, quality of service, operation, and level of expansion of equipment used for rural service, and shall be stipulated in the respective concession contracts, regulations, and development plans of the Superintendency of Telecommunications.

Article 35. The ST shall accept and enforce all telecommunications agreements, pacts, and international treaties signed by the Bolivian Government or by

telecommunications providers, provided that they do not conflict with the laws of Bolivia. In the case of international treaties, legal approval shall be effected by the legislative branch. The ST shall represent the Bolivian Government vis-a-vis international telecommunications agencies and accords.

Article 36. Any interception, interference, acquisition, alteration, diversion, utilization, publication, or dissemination of the content of the communications transmitted via the National Telecommunications System is prohibited. Any violations of this article shall be subject to the penalties established in the Penal Code for such offenses. The ST shall adopt the pertinent regulations so that telecommunications concessionaires or providers may take reasonable and cost-effective steps to protect their customers.

Article 37. Any entity holding a concession, registration, or license is entitled to use the surface, the subsoil, and the air space of the public domain to provide telecommunications services, provided that it complies with the respective municipal regulations and obtains authorization from the ST. It shall take the necessary precautions and provide the necessary guarantees to minimize any disturbance and prevent any risk to the continued use of public property.

Article 38. As long as use is merely restricted, and the use or enjoyment of property is not permanently affected, public telecommunications services shall have the right to use private property to set up or support their facilities, with the prior consent of the property owner. If the parties cannot reach an agreement or there is no possibility of solving the problem by technical means, an easement by eminent domain may be established for the benefit of the public service provider, provided that the legal provisions governing such matters are observed.

Article 39. The ST shall grant concessions for providing telecommunications services via satellite through Intelsat or other satellite service providers.

The National Secretariat of Transportation, Communication, and Civil Aeronautics shall represent the Bolivian Government as a party to the agreement with Intelsat. The telecommunications company capitalized under the provisions of the Capitalization Law shall continue exercising its rights and fulfilling its obligations as a signatory of the aforementioned agreement, with the prior approval of the ST.

Article 40. Any marketing, promotion, or sale of reverting calls is prohibited.

Article 41. Antitrust Provisions. Except as otherwise provided in this law, telecommunications companies shall adhere to principles and norms that ensure free competition in the functioning of the market.

Title VII. Chapter I. Final Provisions

Article 42. Current telecommunications providers may continue rendering such services, as long as they comply

with the provisions and regulations of this law and other applicable legislation within six months of the enactment of this law, without prejudice to the rights and obligations set forth in the respective concession contracts or administrative acts.

Article 43. The Superintendent of Telecommunications, established under the Law of the National Regulatory Commission, replaces for all legal purposes the General Office of Telecommunications, established under the General Telecommunications Law, approved by Supreme Decree 09740 on 2 June 1971.

All acts and resolutions of the General Office of Telecommunications shall have full force and effect under the law until it assumes the functions, powers, and name of the Superintendency of Telecommunications, as set forth in this law.

Article 44. The rural telecommunications services currently provided by the Office of Rural Telecommunications (Diter) shall continue to be offered by said state entity until the telecommunications providers are able to execute their plans for expansion in rural areas.

Article 45. The executive branch shall issue the regulations for the enforcement of the provisions of this law.

Article 46. All provisions that conflict with this law are hereby repealed, including regulatory and administrative provisions. The following are expressly repealed:

1. The General Telecommunications Law, approved by Supreme Decree 09740 on 2 June 1971.
2. The regulations of the General Telecommunications Law, approved by Supreme Decree 17730 on 20 October 1980.

Roundup of Economic Reports

95P20063

[FBIS Media Note] Cochabamba Water Project—On 15 September President Gonzalo Sanchez de Lozada inaugurated the "El Paso II" water project which will add 110 liters of water per second to Cochabamba's water distribution network. Japanese Ambassador Shinzuya Kato, who was present at the inauguration, stated that Japan's investment in this project amounted to \$10.3 million in equipment and technology transfer. (La Paz PRESENCIA DEL PAIS, 16 September)

Pineapples, Bananas in the Chapare—Carlos Bustos, director of the Alternative Development Program, (PDAR), said that the land devoted to alternative crops in the Chapare has been increasing over 1,000 hectares per year since 1986. Bananas and pineapples are currently the crops most extensively cultivated, with 14,503 hectares devoted to bananas and 2,608 hectares to pineapples. According to Bustos, banana production generated \$4.012 million this season and pineapple production brought in \$1.999 million. Banana exports to Argentina alone have generated over \$200,000 and are expected to amount to \$500,000 by the end of 1994. This

does not include bananas exported by private firms which do not report their statistics to the PDAR. Meanwhile, the first 1,000 crates of fresh pineapples cultivated in the central Chapare have been exported to northern Argentine markets generating approximately \$8,000. Their arrival in excellent condition via refrigerated trucks has reportedly spurred the export of an additional 100,000 crates not only to Argentina but to Chile as well. (Cochabamba LOS TIEMPOS, 20 September; Santa Cruz EL MUNDO, 21 September)

Chquisaca Gas Production—Chquisaca is currently the country's second largest producer of natural gas after Santa Cruz Department, the Bolivian Government Oil Deposits (YPFB) reports. Chquisaca's Vuelta Grande field is the most productive followed by the Porvenir and Monteagudo fields. According to the YPFB, in July 1994, the department produced 42 million square feet of gas, surpassed only by Santa Cruz with 88 million square feet. (La Paz PRESENCIA DEL PAIS 13 September)

YPFB Investment—Because of the high demand for gas to satisfy industrial and domestic requirements in the Departments of Cochabamba, Oruro, and La Paz, the Bolivian Government Oil Deposits (YPFB) will invest \$29.43 million to extend the gas pipeline to the altiplano region. The first phase will cost \$9.6 million of which \$7.4 million will be provided by the Inter-American Development Bank. Funding for the second phase, \$19.83 million, will be provided totally by the YPFB. (La Paz EL DIARIO 18 September)

Inti Raymi Gold Mine—Mario Mercado, president of the Inti Raymi in Oruro Department, said that the gold mine, having opened up "a new production frontier" because of the decline of traditional mineral production, will export some \$110 million in gold and silver concentrates to its principal markets in Europe. He added that Inti Raymi had "state-of-the-art mining technology" which could actively compete with other mines in the region such as El Indio in Chile and Yanacocha in Peru. Exports of dore bullion in 1995 are expected to be 400,000 ounces, and it is expected that this year's exports of 300,000 ounces of dore will bring Oruro Department a total of \$3.2 million in royalties. (La Paz HOY 19 September)

Forest Exports Increase—Although 15 years ago Bolivia was an importer of wood and furniture, national forestry companies currently not only satisfy 80 percent of internal demand but export products to over 35 countries. In 1993, Bolivia's forest exports generated \$72 million, 24 percent of the country's nontraditional exports. Of this figure, \$53.26 million came from wood products such as lumber, frames, panels, crossties, and furniture. The remaining \$19.28 million came from "secondary" forest products such as chestnuts, palmito, cacao, and natural rubber. The United States was considered the principal market for Bolivian forest products followed by Argentina. (Santa Cruz EL MUNDO "FORESTRY SUPPLEMENT" 16 September)

Swedish Cooperation With Small Industry—Romer Osuna Anez, president of the Bolivian Investment Promotion Center (CPI), returned from Sweden after signing a two-year agreement with the Swedish Government agency SWEDECORP amounting to \$3 million. Under the agreement support and assistance will be provided to small industry by identifying and promoting projects for the establishment of joint ventures, furnishing technical assistance to the capitalization program with emphasis on environmental conservation, and cooperating with the forestry sector. (Santa Cruz EL MUNDO 22 September)

Brazilian Company Soybean Project—The Brazilian Company "Monica SRL" expects to expand its two-year soybean cultivation project in Tierras Bajas del Este from 12,000 hectares to 20,000 hectares. The project supplies cooking oil to companies in Santa Cruz Department. (Santa Cruz EL MUNDO 22 September)

Brazil

Cardoso May Accompany Franco to Americas Summit

PA2310181194 Madrid EFE in Spanish 1602 GMT 23 Oct 94

[FBIS Translated Text] Rio de Janeiro, 23 Oct (EFE)—The Brazilian presidency issued a communique today saying that Fernando Henrique Cardoso, the Brazilian president-elect and social democratic senator, might be attending the so-called Summit of the Americas as a member of the delegation accompanying acting President Itamar Franco.

Cardoso will take office on 1 January 1995, that is, two weeks after the summit convened by U.S. President Bill Clinton—which will include all the presidents of the continent, except Cuba—will be held. Cardoso had said that he did not plan to attend the Summit of the Americas, as the U.S. Government had proposed, out of respect for Franco.

The Planalto Palace, headquarters of the Brazilian presidency, today denied media reports indicating that Franco had given up the idea of taking Cardoso along to the summit—which will be held in Miami the second week of December—because he was upset about the conversations held by Clinton and Cardoso.

In the press communique, the presidency indicated that the invitation that Franco had already extended for Cardoso to come to the summit still stands and that Cardoso's participation in the continental meeting will depend on future conversations.

In some statements made on Saturday from Budapest, where he is on a private visit, Cardoso stated that he was not going to attend the Summit of the Americas because he thought it was "weird" to have two Brazilian presidents present in Miami.

"To me, the meeting would have ended up being a social event," Cardoso said when he learned that Franco had expressed his annoyance over his conversations with Clinton.

When U.S. President Clinton made a telephone call to Cardoso in Moscow last Tuesday, Clinton stated that his government was negotiating with the Brazilian Foreign Ministry the possible participation of the two presidents—Franco and Cardoso.

Franco's advisors, however, indicated that Franco was not willing to divide attentions during the summit.

Cardoso To Begin Working at Alvorada Palace 28 Oct

PY2110211294 Sao Paulo AGENCIA ESTADO in Portuguese 2109 GMT 20 Oct 94

[FBIS Translated Text] Brasilia, 20 Oct (AE)—President-elect Fernando Henrique Cardoso will begin working at Alvorada Palace, the transition team headquarters, on 28 October, upon returning from a trip to eastern Europe. The name of new cabinet members will be announced after Christmas. Cardoso is planning to stay in Brasilia from Monday through Friday, and in Sao Paulo on Saturdays and Sundays. His assistants are preparing an agenda with no trips to the states. The objective is to prevent him from engaging in the campaigns of candidates in the runoffs for state governorships.

Starting 18 October, Paulo Renato de Souza—whom Cardoso instructed to "harmonize" the 1995 budget with the new program of government—has toured the ministries' esplanade to collect data. Today, after phoning Health Minister Henrique Santillo to ask him to designate a technician to brief him on the portfolio's economic situation, De Souza visited Education Minister Murilo Hingel to make the same request.

Renato de Souza, a former Unicamp [Campinas State University] rector who coordinated the preparation of Cardoso's program of government, will spend the next few days visiting ministries. Based on the collected information and on the projects that have been planned for Cardoso's first term, De Souza will make a report for each sector, describing the situation in approximately five pages.

The campaign committee on which De Souza is working will be closed on 27 October, while Fernando Henrique Cardoso's department will be emptied. Up until his inauguration on 1 January, Cardoso will live in the house he rented in the fifth block of Brasilia's Lago Sul sector.

At Alvorada Palace, Cardoso will grant audiences and will meet with the team to assemble the government structure based on the information collected by De Souza. At Alvorada Palace, De Souza and advisers Ana Tavares and Eduardo Jorge Caldas will have their own

offices. During this period, according to the president-elect's assistants, he will not grant news conferences and will speak only in his address to the Senate (for which no date has yet been specified) and at his inauguration.

The other transition team members will take the entire 10th floor of the Camilo Cola building, in Brasilia's Autarquias Sul sector, which is being rented by the PSDB [Brazilian Social Democracy Party]. This will be the new party headquarters address, where party President Pimenta da Veiga and adviser Sergio Motta will have their offices.

Insights Into Personality, Role of Ruth Cardoso

95SM0003A Sao Paulo VEJA in Portuguese 21 Sep 94
pp 36-45

[Article by Dorrit Harazim: "Ruth, the New Element in the Plot"; introductory paragraph in italics as published]

[FBIS Translated Text] *Is being the first lady in Brazil a position in society or a job? Or is there a woman's role to be reconsidered in a changing society?*

The Federative Republic of Brazil and more specifically Brasilia have been without a first lady for exactly 90 weeks. No one has missed her. Except during this year's Carnival, when the lack of a first lady enabled actress Lilian Ramos to show President Itamar Franco and the world her revealing high jinks. After almost four years of an unmarried president, the two visible fiefs of our first ladies have survived their orphanhood quite well: none of the 13 official receptions at Planalto Palace failed to take place, and the Brazilian Welfare Legion (LBA) did not close its doors—at most, it is trying to close the books on the previous misappropriations of funds. The reason that an institution—the "first lady"—disappeared without anyone's noticing was that because of the way it was constituted, it no longer served a purpose. Brazilian society has evolved much more than the expression has. That society has moved away from the concept of a wife as a matrimonial ornament of power, and perhaps it is mature enough to debate the crux of a question which, no matter where one goes, stirs up a tumult in the public sphere: in a modern society, what is the role of the woman with a profile of her own when she is the partner of a married president?

The expression "first lady" was first used in 1877 to designate the wife of the 19th president of the United States, Rutherford Hayes, and it was popularized at the turn of the century by a Broadway comedy about Dolly Madison, the party-loving wife of another U.S. president. Since that time, the term has been reinvented along with each successive occupant of the White House. Attorney Hillary Rodham Clinton went into the 1992 presidential election with a harsh-sounding maiden name, a salary three times higher than that of her husband, and well articulated ideas that had not yet been diluted for general consumption. According to James Carville, the most sought-after political marketing expert

both above and below the equator, "there was a myth that whatever Hillary said would become law and that anyone who disagreed with her would be banished to the political refrigerator or denied access to the candidate."

Hillary, who operates in a political culture where women have maximum exposure, describes herself as a "Rorschach test"—everyone sees what he wants to see, as in the inkblots open to multiple interpretations as invented by the Swiss psychoanalyst. In Brazil, which is preparing to elect a new president, there are also 1,001 ideas about only one woman: Ruth Cardoso—the only one of the candidates for first lady about whom little is known but from whom everything is expected. Ruth has lived her 64 years with a zealously guarded private image that is now acquiring public potential. Her husband, PSDB [Brazilian Social Democracy Party] candidate Fernando Henrique Cardoso, commented to a friend: "The PFL [Liberal Front Party] is more afraid of Ruth than Ruth is of it."

Both sides are trying to clear up suspicions bred by a relationship that began with bad feeling. "The idea that 'this Ruth is going to intimidate the politicians' and that 'Fernando Henrique made an alliance and Ruth is guarding the other end' does not exist. I have no party-political role whatever. I simply feel confident in believing that Fernando Henrique does not owe anyone anything when it comes to forming a cabinet," says Mrs. Cardoso. "I was annoyed with her (because of a remark attributed to Ruth concerning political favoritism), but I came to have a good impression," Deputy Luis Eduardo Magalhaes commented to someone in Bahia after having dinner with top PFL and PSDB leaders at the senator's apartment in Brasilia. To his surprise, Ruth Cardoso had been there as the hostess—completely at ease, a pleasant participant in the discussions, and discreet.

That which constitutes fear of the uncertain in some constitutes respect for the known in others. "I am astonished at how calm she is around the artifacts of power," remarked the former prime minister of Portugal, Maria de Lourdes Pintasilgo, who knows how seductive those artifacts can be. "Ruth possesses coherence and tremendous dignity. She adds an air of restraint to public life. She makes us feel secure," adds her friend Rosiska Darcy de Oliveira, who has a doctorate in education. What Rosiska means by "us" is that segment of active civil society which sees Ruth as the possible embodiment of an era in which value may again be placed on substance. Fernando Henrique Cardoso knows the value of the partnership: "Politicians see things from the standpoint of the state. Ruth provides the counterpoint. She is always looking at problems and solutions from the standpoint of society." Herbert de Souza, coordinator of the Campaign Against Hunger, remarks sarcastically: "Fernando Henrique's slate would be more interesting with Ruth Cardoso as vice president and Marco Maciel as first lady. Each in his or her ideal role."

But where has this woman, about whom even the PT [Workers Party] says nothing bad, been hiding? Until the

age of 15 years, she lived in the city of Araraquara in Sao Paulo's interior. Then she attended the secondary school operated by the Des Oiseaux nuns in the capital. After that she worked as an urban anthropologist and, as her major vocation, was involved in the academic training of doctoral students at the USP [University of Sao Paulo]. She is not at all interested in expressing the potential she knows she possesses. "Basically, she is a non-neurotic, objective, practical, and happy person," says Sao Paulo architect Regina Meyer, her longtime friend. Married for four decades to a man whose social self-assurance usually eclipses everything around him, Ruth has never competed for that space. When her husband gave up his profession as a sociologist to enter politics in 1982, she remained conspicuously in the academic trenches and did not move to Brasilia. "Life in Congress does not leave much time for the family," she remarks laconically. She continued to watch fiercely over her family's and her own privacy. She educated their three children in her own way and intensely enjoys the experience of being a grandmother three and a half times. She speaks in a professorial voice that Fernando Henrique listens to and respects, and with it she has built a partnership based on youthful commitments—those that people are ashamed to negotiate. That is the voice that has joined the 1994 presidential campaign.

The genesis of the decision was not a smooth one. In March of this year, she traveled to New York for a meeting of the Social Science Research Council, a U.S. research institute where she once studied on a scholarship and of which she is now an associate. While in New York, she had time to attend Tony Kushner's epic (seven-hour-long) "Angels in America" before her husband—who was still minister of finance—arrived. "He was exhausted from the pressure to become a candidate. He said he did not want to run, but I felt it was inevitable. I knew that it would be a complicated process and that we needed to talk more about it, because it would mean a big change in our lives. The press had decided that I would oppose the idea, and it mounted a total siege. Actually, I was neither against it nor for it—I wanted to think about it. It was a time of great doubt and no decision as far as we were concerned. We were still undecided when we returned home. We wound up having little time in which to sit down and talk, just the two of us, in Brazil. When he decided to be a candidate, with the deadline for resigning from his cabinet post drawing near, he surprised me a little. I was not yet entirely ready to adapt to the new role."

And how does she feel today about being the wife of a possible president of the republic? "It is still a complicated and ambiguous expectation because it is unfamiliar. It would be ridiculous to pretend that I do not see the poll results, but the most sincere answer I can give you is this: I don't know. One thing is basic: any public activity for a man or woman involves a limitation. Private powers and public powers are combined, and the limitations imposed on the family of the one taking office are legitimate. Perhaps because I am a person with

a career and professional life of my own and a different kind of marriage, I will end up symbolizing something new. According to my analysis, we are at a crossroads—and I am enthusiastic about experimenting with a path that is more open and more democratic. I am participating in the campaign because I really believe in what is being proposed." How does she picture life in Brasilia if she becomes first lady? "Really, I don't know what the official life is like, but I will certainly find out. Those things are learned by practice. Perhaps because I want to postpone a number of decisions I will have to make, I don't even believe that Fernando Henrique is going to win in the first round of balloting." She has even extended until the end of November her unpaid leave from her job as senior researcher at the Brazilian Analysis and Planning Center (Cebap), where she is also financial director, a position shared on a rotating basis. Only then will she decide when and how long she will stay in Brasilia if her husband wins the election. One detail: she intends to also keep the apartment in Sao Paulo and to travel frequently so as to continue her professional and private life to the extent possible. Considering that two centuries ago the American Martha Washington did not even think it necessary to leave her Virginia home to attend her husband George's inauguration as first president of the United States, all innovations are possible in that area.

Brazilian history itself began in an adventurous manner with Carlota Joaquina de Bourbon, infante of Spain and wife of Joao VI, king of Portugal and Brazil. "She was the only female figure in our history who actually ran things, had her own interests and policy, and fought for them," remarks Raymundo Faoro, author of *Os Donos do Poder* (*The Possessors of Power*). "She schemed to have Uruguay incorporated into Brazil for herself." On the other hand, according to the description by historian Octavio Tarquinio, "she was terribly ugly, big-boned, and almost a dwarf, with tiny eyes and a skin that was coarse and wrinkled by passions." Next came two empresses, Leopoldina and Teresa Cristina the Lame, both of whom suffered in varying degrees from the infidelity of their husbands. It fell to the party-loving Nair de Teffe to shake the dust off the First Republic by marrying President Hermes de Fonseca in 1913. Historians of the time have tried to characterize her as an entertaining wacko somewhat along the lines of the first lady of Canada in the 1970's, Margaret Trudeau. But she was much more than that. She had culture, talent as a caricaturist, tastes of her own, and independence.

Brazil has had silent first ladies ("Eloa," who was fabricated by Janio Quadros, never spoke), discreet first ladies such as Scylla Medici, and an allegory who cried: Rosane Collor. Since Rosane annoyed people with her quarrelsomeness and bad habits, the media began treating the president's mother, Leda, as queen of the court and his previous wife, Lilibeth Monteiro de Carvalho, as a more suitable bearer of the title. But there was never a woman like Maria Tereza Goulart in beauty and in popular imagination. The promiscuity she was

accused of has not withstood the test of time—it was inversely proportional to the envy of women and the political hatred of the opponents of her husband, President Joao Goulart. She remained at “Jango’s” side until his death in exile, 12 years after the coup that overthrew him in 1964. In an irony of history, it was precisely that military regime with its endless moralizing talk that produced the forerunner of all dissipated women, civilian or military: Yolanda Costa e Silva with her unsavory biography. She had successors. It is against that background that the small but intense figure of Ruth Cardoso appears.

She wanted to make her debut in the campaign by testing the waters as part of a small group surrounded by four walls. She ended up causing a roar that still hurts her ears today. “I talked to Fernando Henrique, and he thought it was a good idea to hold indoor meetings with women. That was at the start. We were in a phase of inventing things, and Ruth Escobar was the only one to come up with something—for that matter, she always has 50 ideas for everything.” The result was the ill-starred remark by the actress/hostess comparing Lula to a plumber and Fernando Henrique to Sartre. “That was obviously a blunder, but it was also biased of the press to catalogue all those present as pampered rich women. There was considerable diversity; all one had to do was look.” To anthropologist Ruth Cardoso, whose job it is to mingle with people of all kinds and listen impartially to what they have to say, the three meetings—one in Sao Paulo and two in Rio de Janeiro—seemed extremely productive. “Those women, whom we are sociologically conditioned to view as being so remote from any interest in public affairs, came to listen and argue. That is remarkable. They asked me about everything from agrarian reform to who really runs things in my home. All without the posturing that usually surrounds political matters.” In Ruth’s opinion, campaigning is an exercise in tolerance in which one should not attempt to persuade those who already support a candidate but argue with the undecided. And as of last week, the undecided voters were still primarily women (13.2 percent, compared to 6.9 percent of the men). She dreads rallies and appearances arranged by the party. “My contribution to the campaign may be to combine heterogeneous things.” In the opinion of Sergio Motta, coordinator of the PSDB’s national campaign, that image means work. At the party given by Jose Serra in Sao Paulo last Tuesday evening for the committee heading the PSDB campaign, a complaint by Motta was heard. “She is too tough. That way of hers sometimes creates a difficult situation for us.” But Prof. Marcia da Silva Ferreira, 53, who since last July has been doing duty as secretary, assistant, office manager, troubleshooter, and everything else that might fall under the heading of “staff,” reads her character differently. “Ruth does not need anyone sticking to her. She has a wealth of content and an entirely feminine way of campaigning.” Marcia is a not a newcomer: she worked in the Sao Paulo Secretariat of Education with the current coordinator of the PSDB platform, Paulo Renato Souza, and with

Beatriz Cardoso, the candidate’s youngest daughter. Being from the interior—she was born in Guaranesia in southern Minas Gerais—makes her a soul mate with Ruth, who is from Araraquara. “I feel that her sensitivities are like mine,” says Ruth.

Since the meetings with ladies had become irreversibly associated by the press with Moschino handbags and Chanel earrings—“It is urgent for Brazil to have a serious policy regarding education; my two children are thinking of voting for the PT,” one participant warned—those meetings were aborted by common consent. A mixed political meeting was attempted in the PSDB candidate’s big house in Sao Paulo, and there Ruth presented proposals related to the status of women and blacks. It was a “mixed” meeting because it was attended by such party icons as Lucy Montoro and Maria Jose Guimaraes Passini, the sister of Ulysses Guimaraes (“Up there in the Heavenly Congress, he must be holding rallies in support of Fernando Henrique,” she said). It was also mixed because black women and women from the suburbs had been invited. It was another flop. Maria do Carmo Ferreira Teles, one of the community leaders from the suburb of Campo Limpo, complained: “We felt very uncomfortable. All those women in blazers. We had rigged up a bus with about 40 women and with banners and all the rest of it. We ended up rolling up the banners and hiding them under the seats.” She found the right person to listen to her complaints: Ruth Cardoso herself.

The candidate’s wife decided to take the same route as Maria do Carmo, but in reverse: she herself would go to Campo Limpo to listen and talk. That was her field, after all: nearly 30 years of urban anthropology devoted to community movements in the suburbs. A public event with residents recruited from 35 surrounding neighborhoods was scheduled for a Saturday afternoon, but Ruth, accompanied only by Marcia, visited the locality a week in advance so that “I would not show up unprepared—so it would not be artificial.” It wasn’t. The huge banquet hall at the Community Center was gaily decorated. The statements by the women from the area were more raw. “There is a woman who leaves her job crying because she is afraid of arriving home after her husband and getting a beating,” one said. “It took a woman with a revolver in her hand to force the father of a rapist to hand him over,” said another. Health, milk vouchers, education, and unemployment—basically, it was the outline of a government program. Ruth felt at home. Awkward with the party liturgy, she was the only one not wearing PSDB stickers on her lapel. She had done the opposite before: in meetings with ladies not from the suburbs, she had been the only one wearing a PSDB button.

Ruth is capable of trying to unlock her Quantum automobile with the keys from her country home in Ibiuna, ordering the book *King of Spades* when what she really wanted to read was *The Emperor of Acre*, and driving her car in the terrifying bus lane on Santo Amaro Avenue in Sao Paulo as though she were back home in the Araraquara of 50 years ago—without a seatbelt. Clothing

designers spying on the next first lady will also suffer if the PSDB candidate wins. Although she dresses tastefully, Ruth has neither the time nor the patience to go shopping. She often telephones a friend to throw any leftover clothes into a plastic bag. She then tries them on, and anything that fits is used for the next political event or trip. Her daughter Lucia also helps by buying wrinkle-free clothing for her. Absentminded about things she considers secondary, she is scrupulous about facts. Fernando Henrique did not have his "political rights revoked" by the dictatorship, as the campaign jingle says. Instead, she explains, he was compulsorily "retired"—in other words, he was banned from teaching. Technically, he did not leave the country as an "exile," since he left in 1964 and returned in 1968 with his own passport, not as an illegal. She does not like biographies of the heroic type, although she did participate with Fernando Henrique in memorable battles, including brawls, against the military regime of that era.

In the current phase of her life, the things that are piling up are the household accounts, an essay on political culture that she needs to write for the University of Texas (it is already three weeks overdue), a relentless memo from Jose Arthur Giannotti to his esteemed colleague and friend requesting that she "submit to Finep [Funding Authority for Studies and Projects] by 30 September the final report on the research coordinated by you. Cordially....." the monthly concert for subscribers to CULTURA ARTISTICA—which she does not give up even when her husband is appearing live on a question-and-answer show on the "Big Stir" program ("The only one I missed was Rostropovich's encore," she recalls), and more, much more. The briefcase full of documents from a seminar on "Population and Quality of Life" that was held five weeks ago with her as moderator is still unopened. A pile of newspapers that is now as high as the top of her desk has no chance of being read—it is there so that a carpet needing repair will lie flat. Only the humidifier for her granddaughter's room—like everything related to the family—will have priority. Always.

This week Ruth will make her public debut in the Northeast, more specifically in the territory of the new minister of finance, Ciro Gomes. Every word she says, or does not say, will be given two interpretations: one in Portuguese and the other in "electionese" aimed at uncovering subterranean political intentions. A waste of time. Mrs. Cardoso's most significant speeches are made directly to her husband. When Fernando Henrique was indecisive about whether to participate in the first televised debate last month, she spoke one short sentence in a tone of certainty that put her message across: "What do you mean, you're not going?" He went. She provided the deciding vote on a few basic issues or the two or three occasions when she attended sessions for recording the election platform. She insisted that the campaign be free of attacks and that it be positive, and she did not allow social issues—children, women, preventive health, and the wasting of resources—to disappear in the electronic sieve. "She was a point of

reference. Fernando Henrique would look at her, and she would give her assent or withhold it," says one of the participants. It is not surprising that in the government program, the entire chapter relating to those issues carries her seal of approval. Neither is it surprising that an increasing number of letters intended for the PSDB candidate have been arriving addressed to Ruth Cardoso on Maranhao Street. "People know that in her hands, the letter will get there," says one woman. Ruth remarks: "They see me more or less as a guarantee—as a trustworthy messenger."

Her most vulnerable point is the fact that when exposed to a beam of light, her reflex is to close up like the iris of an eye. She does not even like mirrors. "The men there at home—both Fernando Henrique and my son—love to be photographed. They feel at ease, so they come out looking good. The women—my daughters and I—are just the opposite. So we always come out looking bad." Major intrusions—inevitable when a couple is ascending the ladder of fame—give her goose pimples. A few days ago, psychologist Maria de Fatima Lourenco Silveira, who lives on the 16th floor of the building next to hers, told the newspaper O ESTADO DE SAO PAULO: "When Fernando Henrique is in town, I like to watch him from the window. I have seen that man every way possible, even in a way that he would not like." Ruth, who lives on the 15th floor, went to check the view afforded by her bedroom window. By perching in the service area and risking a stiff neck, Maria de Fatima could indeed see part of the couple's bedroom and their bed. Ruth, who is a fanatic about bright surroundings with plenty of natural light, began setting the blinds lower throughout the apartment. "Even though Fernando Henrique does not sleep in the nude," she says philosophically. "Ruth is basically a private person. She reacts to an 'invasion' differently than Fernando Henrique. He withdraws, preferring not to get involved. But she, when wounded, goes on the attack and does not stand still," remarks Giannotti, a lifelong friend of both of them.

Ruth has her own life, and she does not stand still. The only daughter of an accountant and the top teacher in her hometown, she convinced her parents that she could leave Araraquara and study in Sao Paulo alone at the age of 15 years. Since we are talking about the Brazil of half a century ago, she went to a boarding school. "I was a meddler, and I went about arranging my own life. From the boarding school I succeeded in moving to a boarding house run by a friend of my father's. The next step was to rent a room in a family home after I got to the university." There she met Fernando Henrique. "I did not want to get married, and neither did he. But the big scoundrel made a deal with my mother, and we wound up married—there was not the traditional party." She was 23 years old. Today, at 64 years of age, she finds herself surrounded by the deals and alliances of the election campaign. By training and to be consistent with her past, she should be participating in the bid for the Senate by the PT's Luiza Erundina, whom she admires. "I have

great admiration for Erundina, and I would like to see her elected. But I also know that this electoral moment is the only one in which the party issue is stirring up so much fundamental bitterness. I am not worried, because I know it is just a temporary limitation."

Ruth has migrated without remorse from the days of ardent seminars on Claude Levi-Strauss, Antonio Gramsci, and Julia Kristeva. "How pretentious I was!" Her academic work is meager, but the number of Ph.D.'s owing a good part of their course work to her is legion. One-third of those obtaining doctorates in anthropology from Unicamp [Campinas State University] had Ruth Cardoso as their adviser. And now a second generation is coming along. "She is a full-time adviser," says young Maria Filomena Gregori, Cebrap's "Bibia." "She points the way, xeroxes articles, and critiques texts in a way that goes far beyond the usual suggestions for rearrangement. No one else at the school does that." Moreover, half of her students end up writing their theses in the Cardoso couple's library. "I myself must have some 15 of them at home," "Bibia" recalls. "Ruth taught us that we are plural, and that keeps us from falling into some ideology," adds anthropologist Ester Hamburger.

From the devastating pen of FOLHA DE SAO PAULO columnist Jose Simao comes this: "Ruth is like those guilt-ridden American missionary women." She laughs politely. In the American press, Hillary Clinton has also been described as a missionary in search of a mission. But without the guilt. There could not be two women more different from each other. Let their children speak. The joke currently making the rounds in Washington concerns young Chelsea Clinton's advice to her school principal: "You had better call Dad, because Mom is probably busy." At the family level, Ruth Cardoso is the guardian of everything and everyone. And at the level of public activity, if it comes to that, "Ruth will be Hillary's equal in drafting and presenting proposals, but not in implementing them," the PSDB candidate commented recently. "Anyone who knows her knows that she will not want a position in the administration." And if she were not married to a presidential hopeful, would Ruth be interested in a political career herself? "That is not part of my profile. I do not think I have the necessary qualities for building bridges and making deals. But I strongly encourage the political women that I know." Ruth was 33 years old with three children and had the intellectual arrogance of the 1960's when John F. Kennedy was assassinated. "At the time, from my viewpoint, Jacqueline Kennedy was something as remote as an opera singer. We had nothing in common." She first noticed that a first lady could play a nontraditional role when Danielle Mitterrand, the French president's wife, became active in social movements. She remembers little about Rosalynn Carter's abrasive official visit to Brazil in 1977, when Rosalynn was received by Ernesto Geisel's military government with hostility on two counts: first because she was a woman and second because she talked

about human rights. In that order. Now Ruth Cardoso is beginning to go over that entire matter in her mind with more obvious curiosity.

In Europe with its monarchical past and its overabundance of flesh-and-blood kings and queens, the term "first lady," which was invented in the United States, has always seemed ridiculous and has never been adopted. Even the wife of General Charles de Gaulle—and he was as close to an emperor of France as the republican version would allow—was called simply "Mrs. De Gaulle" or, more popularly, "Aunt Yvonne." But the problem is that the dilemma does not lie in the title. At issue are the nature and evolution of a partnership at the summit of power when only one of the consorts was elected. What began as family status has become a public function, and it is beginning to be confused with political office. Nowhere in the world has that evolution become more abrasive than in the United States at present with Bill and Hillary Clinton.

"Greater independence for women may lead to imbalances resulting in crises," Ruth Cardoso remarks, "and those crises are popping up everywhere—in Argentina, Peru, and the United States and in the field of municipal government. There is a dilemma in the fact that the wife of a president cannot be removed from office. On the one hand, that situation gives her power, and on the other, it imposes a restriction on the political system. Perhaps the parties themselves will end up finding mechanisms for legitimizing greater participation by the wives." A friend and confidante of Ruth Cardoso translates that dilemma into more direct terms: "If Fernando Henrique wins, the high point of Ruth Cardoso's life will mean the disappearance of her own career." In 1986, while still a professor at the USP, Ruth Cardoso published *A Aventura Antropologica (The Anthropological Adventure)*, a collection of essays by various authors. Today, according to the election polls, she is heading toward an even greater adventure.

Canapi Is Not Here

Ruth Vilaca Correa Leite's Araraquara is a piece of Brazil where modernity does not mean jet skiing. The town's most notable imported product is the dozens of oiti trees brought in from Rio de Janeiro at the turn of the century to line its streets. Araraquara has had a water treatment plant since 1937, 95 percent of its streets are paved, and moving along those streets are more trolley-buses than in any other Brazilian city. It ardently wanted to become the region's university center—but ended up losing to neighboring Ribeirao Preto and Sao Carlos. Its prodigal sons have a cultural disposition, not a political one: Antonio Candido, Jose Celso Martinez Correa, and Ignacio de Loyola are examples. *Macunaima* by Mario de Andrade was written in Araraquara during one of the writer's visits in 1926. And Beniamino Gigli—a figure as acclaimed in his own day as the multimedia Luciano Pavarotti is today—included the city on his opera tour of Latin America.

The Araraquara familiar to Ruth was proud of its Poetry Club, its Young People's Intellectual Center, its movie club, and the crop of students that went off to the university and then returned—with ideas—for the summer holidays. Above all, it had two assets that were worshiped by everyone: the old Municipal Theater and the Bento de Abreu State School, now the House of Culture.

At 15 years of age, wearing a fancy dress and holding the speech she would deliver as orator for the 28 graduates of Series B, junior secondary school student Ruth went up to the stage of the Municipal Theater. She talked about vision and the significance of her diploma, then packed her bags and went to study in the big city, Sao Paulo. "Ruth was already mature as a young person," recalls her friend Inaya Peres Bitencourt, now an educator. "She was distant, not shy, and quite advanced. She knew how to organize her time. She liked to have fun and was the first to arrive at a dance and the last to leave. She always participated in everything she wanted to without giving up any study time."

Ruth always returned for the holidays. She would arrive in a Pullman car with her skinny boyfriend, Fernando Henrique Cardoso, hanging on to her. He would stay at the Municipal Hotel, only five minutes from his girlfriend's home. That hotel, which now has one of the Itau Bank's automatic tellers, is on the same Sao Bento Street that was the center of all Araraquara life. On that same street were the school, the city hall, the church, businesses, the theater, and the club where the impassioned Carnival dances of the interior were held. Last week Sao Bento Street saw the opening of something new: a branch of the Fernando Henrique Election Committee. The giant Cutrale citrus firm, whose head office is in Araraquara, the Lupo stocking factory, and the Nigro pots and pans factory are celebrating. The city, which has 51 state-run schools for 166,000 residents (twice as many as Campinas or Santos) and is solid Quercia country, may not vote for Fernando Henrique. But Mariquita's daughter, who talks about a partnership between society and the government, is something else. "If Fernando Henrique wins, Ruth will project the values of her era in Brasilia," says Renato Rocha, a friend of hers from the old days—the days of the Mirim Bar. As cofounder of the Socialist Party in Sao Paulo during the 1940's, Rocha retains the values of that period. If Canapi managed to get on the political map of Collor's Brazil, Araraquara hopes at least to be rediscovered as Ruth's training ground.

Story of the String

A frequent complaint by Fernando Henrique Cardoso's friends is that he is stingy and, for that reason, never has anything in his refrigerator. He has a joint checking account with his wife but never writes checks. Ruth agrees and laughs: the subject seems to be part of the family lore. The best way to confirm this is to bring up the subject in front of the one who knows him best. We asked:

"Are you stingy?"

[Fernando Henrique] No, I just don't like money. My relationship with money is not an easy one. I think this business about money is absurd. My grandchildren have a lot more money than I do. Ruth is much stingier than I am.

[Ruth Cardoso] No, I spend money. It's just that I choose how to spend. But I give money to the children, and you don't.

[Fernando Henrique] You give them too much. I am opposed to financial support. I pay my bills, but....

[Ruth Cardoso] You like to have other people pay for you.

[Fernando Henrique] I feel that money is spent wrongly—that too much is spent.

[Ruth Cardoso] We all feel that way.

[Fernando Henrique] People change as life goes on, but this business of ostentation is not my thing. People are horrified when they visit my home up there (his official apartment in Brasilia) and see the small television set. The fad now is huge TV sets.

[Ruth Cardoso] But what about that horrible thing you had when you were minister of foreign affairs? That was when we talked you into buying a remote control!

[Fernando Henrique] That's true. I had tied a string to the knob that turns off the TV. The string was a long one and reached to the head of my bed. To turn off the TV, all I had to do was pull on the string. True, it was no good for switching channels or changing the volume, but it solved the problem.

Foreign Minister Hails EC Decision on Free Trade

PY2110193194 Sao Paulo GAZETA MERCANTIL in Portuguese 20 Oct 94 p 5

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] Foreign Minister Celso Amorim today "hailed" a European Union (EU) Commission decision—which he termed "positive"—to approve a strategy for negotiating a free trade zone with Mercosur [Common Market of the South].

"We attach great importance to this decision, because it reaffirms the role of the Mercosur countries in regional and global trade. It is a recognition of Mercosur's success," he said. Amorim recalled that the decision, which was announced yesterday, is a result of the conversations between Mercosur and the Commission, which started in Sao Paulo at the beginning of the year during a Rio Group meeting with the European Community. There were two more meetings thereafter, one in Corfu, Greece, and another in Buenos Aires.

A Mercosur source said that the European Commission conditioned the start of negotiations with Mercosur on the certainty that there will be a customs union. At the Mercosur meeting in Buenos Aires in August, it was decided that as of 1 January 1995 a common external tariff will apply to at least 85 percent of products.

PMDB Meets, Views Strategy for New Administration

PY2210004994 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 94 p A11

[Article by Robson Barenho]

[FBIS Translated Text] Brasilia—Following the path established by the will of the voters, as expressed through the ballot boxes, the PMDB [Brazilian Democratic Movement Party] concluded on 18 October the cleansing operation that former Governor Orestes Quercia had called for so frequently during the last stage of his electoral campaign. The PMDB took away from Quercia and his followers all vestiges of power within the party. Governor Luiz Antonio Fleury Filho has gathered in Sao Paulo the PMDB governors, senators, and deputies who were elected on 3 October. Together, they began a phase that repeats itself whenever an important political or electoral event takes place. The party, and each one of its factions, is now trying to find out how to exert influence on the future administration and on Congress.

PMDB President Luiz Henrique left the Sao Paulo meeting saying that the party will decide whether to support the Fernando Henrique Cardoso administration only after the state runoff elections. Four PMDB members who attended the meeting said yesterday: "This was the best thing to say," meaning that Luiz Henrique's words were empty talk. The elected PMDB candidates are almost unanimously willing to support the future administration and, more than that, to occupy positions in it. Next week's lunch meeting between the PMDB board and the elected candidates will serve to strengthen this disposition. Only two PMDB members, to whom most PMDB leaders refer to as the "out of tune members of the choir," have shown some resistance to the idea: Jader Barbalho, who is still faithful to Quercia, and former Parana Governor Roberto Requiao, who have been elected Para and Parana state senators.

After the runoffs, the PMDB will inform Cardoso clearly of the number of representatives it believes it has the right to have occupying governmental positions. It will also indicate that, if invited to occupy ministries, it will respond positively and permanently to the commitments resulting from this sort of position, as opposed to what it had done, for example, during the Sarney administration. At that time the PMDB occupied governmental positions but refused to be held responsible for any blame placed on the government.

The PMDB has the largest bloc in the Chamber of Deputies and the Senate, and has elected three governors. As a result, the party believes it already has the

right to make demands, but this is not the right time. If the PMDB elects seven more governors, it will be able to demand more power. The PMDB leaders think that the party may not even have to demand it, as the political sensitivity and needs of the president-elect will show him that it would be appropriate to invite the party to occupy positions in the executive branch.

So far, the PMDB has already elected governors for the states of Mato Grosso do Sul, Rio Grande do Norte, and Alagoas. It will dispute the gubernatorial election runoffs in Rio Grande do Sul, Santa Catarina, Goias, Paraiba, Piaui, Acre, and Rondonia. In the Chamber of Deputies, the PMDB will occupy 107 seats, only 10 fewer than the PFL and the PTB together. In the Senate, the PMDB elected 21 senators.

Meanwhile, the lack of internal agreements is giving way to a proliferation of independent candidacies in the first open congressional struggle: The dispute for the presidencies of the Senate and the Chamber of Deputies. No fewer than five PMDB members have expressed their wish to be lower house president. The list begins with PMDB President Luiz Henrique (Santa Catarina), followed by Odacir Klein and Germano Rigotto (RS) [Rio Grande do Sul], Rita Camata (Espirito Santo), and Gonzaga Motta (Ceara). As for the post of Senate president, Iris Resende (Goias) and Jose Sarney (Amapa) have already presented their candidacies. A portion of the party expects Senator Pedro Simon (RS) to also present his candidacy for the post. Other struggles must still take place within the PMDB for the leadership of the party bloc. For the time being, only Luiz Carlos Santos (Sao Paulo) claims the post of PMDB bloc leader in the Chamber of Deputies, while Senator Jose Fogaca (RS) has begun campaigning to lead the PMDB Senate bloc.

PMDB Plans To Occupy Senate, Chamber Presidency Noted

PY2210010494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 94 p A6

[From "O ESTADO" column by Ana Maria Tahan]

[FBIS Translated Text] During a meeting in Sao Paulo on 18 October, the Brazilian Democratic Movement Party, PMDB, created a serious, maybe insurmountable, problem for Congress. Its plans may oppose the power scheme foreseen in the alliance that supported Fernando Henrique Cardoso's victorious candidacy.

By claiming the presidencies of the Chamber of Deputies and of the Senate during that meeting at Bandeirantes Palace, the party—which has the largest bloc in the two houses—hinders or, worse still, threatens to frustrate the plans of the PSDB-PFL-PTB [Brazilian Social Democracy Party-Liberal Front Party-Brazilian Labor Party] alliance. This alliance planned to easily elect Luiz Eduardo Magalhaes as the president of the Chamber of Deputies and Jose Eduardo Andrade Vieira as the president of the Senate.

The first difficulties began within the alliance. The first problem came when Deputy-elect Franco Montoro (PSDB-Sao Paulo) and Deputy Inocencio de Oliveira (PFL-Pernambuco)—just to cite two of the many deputies who are interested in occupying the position—launched their candidacies for the Chamber of Deputies presidency. The second problem came when members of the PFL indicated that they would prefer to see Pedro Simon (PMDB-Rio Grande do Sul) occupy the presidency of the Senate instead of Andrade Vieira. These original difficulties have now snowballed as a result of the PMDB claim. Feverish times await the return of the president-elect.

Justice Minister: No Intervention in Rio Planned

PY2110165794 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Oct 94

[FBIS Translated Text] Justice Minister Alexandre Dupeyrat has said that President Itamar Franco does not intend to order federal intervention in Rio de Janeiro State or in the Rio de Janeiro district. Dupeyrat referred to the visit he will pay to Rio de Janeiro next Monday.

According to Dupeyrat, the objective of his visit is to gain first-hand knowledge of crime in the state, and to design—together with the Eastern Military Command—measures to prevent violence. Intervention is not justified, the minister said.

[Begin Dupeyrat recording] Intervention is not justified in Rio de Janeiro. The judicial branch is operating, the state attorney general's office is operating, and the state attorney general has jointly worked with the military police. [end recording]

Among the measures that can be adopted, Dupeyrat said, are the reinforcement of police patrols on streets and highways, intensification of repression of drug trafficking and smuggling, and tighter control on the possession of arms.

The minister said that some actions must be adopted by state authorities. He said the civil and military police have found it difficult to fight organized crime, and if there is a request for intervention, the federal government will take action.

Government Plan for Single Basic Basket Rejected

PY2110171494 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Oct 94

[FBIS Translated Text] The National Fiscal Policy Council, Confaz, has rejected a government proposal to adopt a single basic basket for the entire country with the cooperation of states, which were expected to reduce the ICMS [Goods and Service Distribution Tax] on the selected products.

The main complaint was the loss that each state would experience by reducing to 7 percent the ICMS on the 25

basic products. Confaz authorized the 10 states that have not yet adopted a basic basket to create them with their regional products.

Finance Ministry adviser on prices Milton Dallari has said the next administration should decide on the ICMS reduction.

[Begin Dallari recording] We expect the next administration to propose to Congress a reduction—if possible to zero—of all taxes affecting food items of the basic basket, which are essential for Brazilian consumers. [end recording]

At its next meeting, Confaz will study a Bahia state proposal prohibiting car manufacturers from selling cars to car rental companies. According to Bahia Finance Secretary (Rodolfo Tourinho), such companies are responsible for the abusive prices of cars.

Bahia has even threatened to disregard the agreement for reduction of taxes on cheap cars.

IBGE Projects 1994 Industrial Growth of 7 Percent

95SM0001B Sao Paulo GAZETA MERCANTIL in Portuguese 12 Sep 94 p 11

[Article by Vera Saavedra Durao: "IBGE Projects 7-Percent Growth This Year Based on First Six Months"]

[FBIS Translated Text] Rio de Janeiro—Brazilian industry grew by 4.7 percent during the first half of the year compared to the same period in 1993, and it may end 1994 with a growth rate of from 6.5 to 7 percent if the Brazilian Institute of Geography and Statistics (IBGE) is correct in expecting a more active second half. Activity during the second quarter was slow, showing a decline of 3.8 percent compared to the first quarter, which was therefore responsible for the good performance between January and June. In terms of the accumulated 12-month rate, industry increased its production by 6 percent.

Economist Silvio Sales of the IBGE's Department of Industry (Deind) regards the Real Plan as expansionist and believes that except for the transportation equipment sector—especially in the case of the assembly plants—our industrial plant has plenty of room to grow without generating a crisis in supply if there is a rush of consumption. The highest level of idle capacity is found in nondurable goods (approximately 25 or 26 percent in the case of footwear, clothing, and foodstuffs). That is above the national average of 20 percent in idle capacity, or 80 percent in utilized capacity, through June, according to a survey by the Getulio Vargas Foundation (FGV).

The IBGE economist says that if the government decides to import goods to "increase supply as a preventive measure," as was stated by Minister of Finance Ciro Gomes on Friday, possible stress points on the supply

side will be durable goods such as household electric appliances in the area of white goods, electro-electronic goods, and automobiles. In the case of foodstuffs, footwear, and clothing, Silvio Sales sees no need to inundate the market with foreign products. The IBGE economist says that production of those items, which come under the heading of nondurable goods, fell by 3.5 percent during the first half of the year, whereas the production of durable goods rose by 18 percent, with idle capacity in the neighborhood of 13 percent, thereby approaching "the peak in risk."

Turnaround by Real

During the months from April through June, industrial production declined by 3.8 percent, according to the IBGE. "That adjustment preceded the introduction of the real," Sales said. Industrial activity in April was down 2.3 percent from its March level. It stabilized in

May at 0.6 percent compared to April, and dropped by more than 3.8 percent in June. "The context was one of a general wait-and-see attitude following announcement of the third phase of the economic plan, and businessmen were being cautious," Sales emphasized. "But the result for the six months was good, with favorable rates reported for nine of the 22 industrial commodities surveyed." The largest increases in production occurred in the engineering industry (19.1 percent), electrical and communications equipment (18.6 percent), and transportation equipment (16.4 percent). Those three areas contributed 4.2 percentage points to the overall industrial growth rate of 4.7 percent for the first half of the year. This indicates a continuation of last year's growth trend in industry, which favored goods with the greatest added value such as automobiles. Sales feels the situation may change if the country's poorest classes begin consuming again.

Industrial Production (monthly fixed base)*

Classes and commodities	Jan	Feb	Mar	Apr	May	Jun
General industry	111.61	107.81	110.69	108.14	108.82	106.51
Mineral extraction	101.80	106.69	107.45	108.87	107.48	108.32
Processing industry	112.50	107.55	111.22	108.04	108.98	106.44
Nonmetallic metals	102.21	102.08	100.89	98.71	96.33	95.57
Metallurgy	116.57	115.14	118.24	116.02	116.07	115.02
Engineering	132.78	118.52	128.69	118.00	121.59	119.27
Electrical and communications equipment	130.84	117.54	122.00	116.35	121.74	115.22
Transportation equipment	137.73	129.19	137.13	134.59	138.14	124.26
Wood	111.41	107.50	109.26	97.56	98.36	97.03
Furniture	105.10	100.95	98.05	93.21	93.90	91.88
Paper and paperboard	108.34	102.03	103.37	101.29	102.55	100.50
**Rubber	105.87	98.61	115.93	90.25	115.19	109.29
Leather and hides	113.07	114.27	123.19	114.14	117.70	110.06
Chemicals	109.22	108.40	109.32	113.68	109.44	114.40
Pharmaceuticals	101.82	94.04	98.81	89.35	82.54	84.27
**Perfume, soap, and candles	100.61	86.92	109.86	99.35	109.65	93.50
Plastic products	101.03	91.40	92.43	86.60	86.33	84.12
Textiles	101.19	93.90	90.40	90.00	88.44	85.71
Clothing, footwear, and textile articles	105.70	96.10	98.43	93.15	93.99	90.45
Food products	97.85	98.74	98.91	98.61	99.12	99.05
Beverages	86.30	93.04	93.37	96.53	92.41	94.09
Tobacco	72.03	60.92	96.52	107.77	115.29	120.41

* Commodities with no definite seasonal pattern and, therefore, not seasonally adjusted.

** Base: 1991 average = 100.

Source: IBGE.

New Basis of Comparison

Industrial production data for the first six months of this year as reported by the IBGE on Friday were calculated on the basis of a new series of data taken from the 1985 Industrial Census. The previous series was based on the 1980 Industrial Census. This change is important because it updates the basis for surveys and introduces 1991 as the base year for index number comparison, with the new base being 100.

The current sample represents 62 percent of the value of production, compared to 49.5 percent in the previous sample. It comprises 944 products and 6,200 firms with a total 13,000 monthly reports for survey purposes. Three industrial commodities—wood, furniture, and leather and hides—were added to the survey, bringing the new total to 20 commodities. In addition, the number of industrial subsectors was increased from 49 to 61, the most significant new subsectors being the processing of coffee (instant and roasted), the distillation of alcohol (production of anhydrous and hydrous alcohol), and the subsector of rice beneficiation.

Added to electrical equipment was the production of computers and other data processing equipment.

Adoption of the sample universe from the 1985 Industrial Census also caused changes in the weighting structure of the survey. The most significant changes involved the greater weight assigned to the mineral extraction industry (7.2 percent, compared to 2.93 percent in the previous survey), and the smaller weight assigned to transportation equipment (6.26 percent, compared to the 7.34 percent previously assigned to it out of a survey universe totaling 100 percent). The weight assigned to the processing industry was reduced slightly: from 97.07 percent in the previous survey to 92.73 percent this time.

Silvio Sales explained that as a result of those changes in the weighting structure, production during the first quarter showed an increase of 5.7 percent over the same period in 1993. Under the old system, the increase would have been 7 percent.

Provisional Measure Defines Antidumping Duties

95SM0001A Sao Paulo GAZETA MERCANTIL in Portuguese 15 Sep 94 p 6

[“Text” of unnumbered provisional measure dated 13 September 1994 regulating the implementation of antidumping duties: “MP Regulates Implementation of Duties Provided in Antidumping Agreement”; introductory paragraph in boldface as published]

[FBIS Translated Text] Yesterday the government also published an unnumbered provisional measure (MP) dealing with antidumping legislation. Here is the complete official text of that MP.

Provisional Measure No. [no number as published] dated 1994

This measure regulates implementation of the duties provided in the Antidumping Agreement and the Agreement on Subsidies and Compensatory Duties and makes other provisions.

The president of the republic, exercising the powers conferred on him by Article 62 of the Constitution, adopts the following provisional measure with force of law:

Article 1: The temporary and permanent antidumping duties and compensatory duties dealt with in the Antidumping Agreement and the Agreement on Subsidies and Compensatory Duties as approved respectively by Legislative Decree Nos. 20 and 22 dated 5 December 1986 and promulgated by Decree Nos. 93,941 dated 16 January 1987 and 93,962 dated 22 January 1987, resulting from the General Agreement on Tariffs and Trade (GATT) as adopted by Law No. 313 dated 30 July 1948, shall be collected in the amount in national currency corresponding to the rate of the dumping margin or amount of subsidies, as determined by an administrative process, under the terms of the aforesaid agreements and this provisional measure, in such a way as to remedy harm or the threat of harm to domestic industry.

Single paragraph: Antidumping duties and compensatory duties shall be collected independently of any obligations of a tax nature relative to importation of the products concerned.

Article 2: Temporary duties may be imposed pending an investigation when preliminary analysis reveals indications of the practice of dumping or the granting of subsidies and indicates that such practices cause harm or threaten to cause harm to domestic industry and it is considered necessary to prevent the said practices during the course of the investigation.

Single paragraph: The term “domestic industry” shall be understood, in accordance with the provisions of Article 4 of the Antidumping Agreement and Article 6, Nos. 5 and 7 of the Agreement on Subsidies and Compensatory Duties, as comprising firms producing agricultural, mineral, or industrial goods.

Article 3: Demand for payment of temporary duties may be suspended pending the final outcome of the process at the discretion of the authorities referred to in Article 6 of this provisional measure, provided that the importer deposits a bond equivalent to the full value of the amount owed plus other legal charges; the said bond to consist of the following:

I. A deposit in cash or;

II. A bank bond.

Paragraph 1: In all cases, the bond must guarantee the same updating index as that applied to delays in the payment of federal taxes, including interest, effective from the date on the which the temporary duties become payable.

Paragraph 2: The Federal Revenue Secretariat (SRF) of the Ministry of Finance will regulate the procedure for the deposit and release of the bond referred to in this article.

Paragraph 3: Customs clearance of goods subject to the payment of temporary duties shall depend upon compliance with the provisions of this article regarding the supplying of a bond.

Article 4: An agreement with the exporter or the government of the exporting country may be signed eliminating the harmful effects resulting from the practice of dumping or from subsidies.

Paragraph 1: The agreement referred to in this article shall be signed in the presence of representatives of the Foreign Trade Secretariat (Secex) of the Ministry of Industry, Commerce, and Tourism and submitted for joint approval to the authorities referred to in Article 6 of this provisional measure.

Paragraph 2: If the agreement is approved, the investigation shall be suspended without the collection of temporary or permanent duties except as provided by Article 7, No. 3 of the Antidumping Agreement and Article 4, Paragraph 5, Subparagraph b) of the Agreement on Subsidies and Compensatory Duties.

Article 5: It is the responsibility of the Foreign Trade Secretariat (Secex) of the Ministry of Industry, Commerce, and Tourism to determine, by means of an administrative process, the dumping margin or subsidy amount, the existence of harm or of the threat of harm, and the causal relationship between them.

Article 6: It is the responsibility of the ministers of finance and of industry, commerce, and tourism to issue joint directives establishing temporary or permanent duties and to decide regarding the suspension of liability for payment of the temporary duties referred to in Article 3 of this provisional measure.

Single paragraph: The order imposing antidumping or compensatory duties, whether temporary or permanent, shall specify the period that they will be in effect, the product covered, the value of the obligation, the country of origin, the name of the exporter, and the reasons for which the decision in question was made.

Article 7: Fulfillment of the obligations resulting from the imposition of antidumping duties and compensatory duties, whether permanent or temporary, shall be the condition for introducing products that are the object of dumping or of subsidies into trade in this country.

Paragraph 1: The SRF of the Ministry of Finance shall be responsible for collecting antidumping and compensatory duties, whether temporary or permanent, when payment is being made in cash, and also, when appropriate, for refunding the said amounts.

Paragraph 2: If the said obligations are not fulfilled, the SRF shall submit the pertinent documentation to the

Office of the Attorney General of the National Treasury for inclusion as a debit in the Active Debt of the Union and for collection.

Article 8: Antidumping or compensatory duties, whether temporary or permanent, shall be imposed only on goods shipped for consumption on or after the date of publication of the act establishing the said duties, except in the retroactive cases stipulated in Article 11 of the Antidumping Agreement and Article 5, Paragraphs 5 and 9 of the Agreement on Subsidies and Compensatory Duties.

Article 9: Duties shall be in effect temporarily as stipulated in the act establishing them, subject to the following conditions:

I. Temporary duties shall remain in effect for no more than 120 days, except that in the case of antidumping duties, the ministers of finance and of industry, commerce, and tourism may decide to keep them in effect for up to 180 days, with due regard for the provisions of Article 10, No. 4 of the Antidumping Agreement.

II. Permanent duties or approved agreements shall remain in effect during the time and to the extent necessary for eliminating or neutralizing the dumping practices and subsidy payments that are causing harm. In no case shall they remain in effect for more than five years except when, upon review, it is found necessary to retain the measure in question in order to prevent a continuation or repetition of the harm being caused by imports that are the object of dumping or subsidies.

Single paragraph: Exporters involved in the investigation process who wish the effective term of temporary antidumping duties to be extended for up to six months as provided in Subsection I of this article must submit a formal application requesting that extension to Secex no more than 30 days before the expiration date of the duty in question.

Article 10: For the purposes of budget execution, revenues from the collection of antidumping duties and compensatory duties shall be classified as original revenues and included in the category of compensatory receipts as provided under Article 3, Single Paragraph of Law No. 4,320 dated 17 March 1964.

Article 11: The ministers of finance and of industry, commerce, and tourism may publish joint regulations supplementing this provisional measure.

Article 12: The administrative process referred to in Articles 1 and 5 shall comply, as appropriate, with the provisions of Resolution No. 1,227 dated 14 May 1987 as amended by Resolution No. 1,582 dated 17 February 1989, both issued by the former Customs Policy Council (CPA).

Article 13: This provisional measure takes effect on the date of its publication.

Brasilia, 13 September 1994; the 173rd year of independence and the 106th year of the republic.

Petrobras Profits Total \$509 Million in July

95SM0001D Sao Paulo GAZETA MERCANTIL in Portuguese 15 Sep 94 p 23

[Article by Ana Lucia Magalhaes: "Petrobras Earns \$509 Million in July Thanks to Exchange Policy"]

[FBIS Translated Text] Rio de Janeiro—Confirming stock market expectations, Petrobras [Brazilian Petroleum Corporation] earned exceptional profits of \$509 million in July. As a result, the government-owned firm's results for the first seven months of this year are on the order of \$612 million, reflecting an increase of practically 114 percent over the same period last year.

Between late August and early September, the stock market had been anticipating Petrobras' July performance, which benefited from the current foreign exchange policy, and the company's stock rose sharply in price. Between 26 August and 2 September, the value of its preferred stock went up by 17.93 percent, while its common stock rose by 18.12 percent.

In announcing its seven-month results, the firm's management said that the exceptional results for July were basically a matter of accounting and that no financial gain was involved. Petrobras managers said that the main reason for July's performance was the 6-percent drop in the value of the dollar against the real (the company pays for its imported petroleum in U.S. currency and sells it at the pump for Brazilian currency, and it also benefited from the drop in the cost of its foreign debt). That generated \$240 million in foreign exchange earnings.

Another ingredient was the 7.08-percent change in Ufir [Reference Fiscal Unit]. According to management, that change resulted in a gain of approximately \$250 million from monetary correction. The government-owned firm's management was careful to make it clear that the foreign exchange earnings in July may be adjusted upward or downward or eliminated altogether, depending on how the dollar behaves with respect to the real between now and the end of the fiscal year.

Petrobras' net billing for the first seven months of 1994 was down by 5.13 percent from the same period last year. It totaled the equivalent of \$7.375 million.

Oil Production Sets New Record in August

95SM0001C Sao Paulo GAZETA MERCANTIL in Portuguese 16-18 Sep 94 p 14

[Article: "Petrobras Produces 732,500 Barrels per Day in August"]

[FBIS Translated Excerpt] Our country's production of petroleum and liquefied natural gas averaged 732,500 barrels per day (b/d) in August. According to a report by

Petrobras [Brazilian Petroleum Corporation], that amount sets a new record, since the previous record, set in May of this year, was 707,400 b/d.

Compared to the average produced in July (691,700 b/d), last month's production was up 5.9 percent. Compared to August 1993 (669,200 b/d), the increase was 9.5 percent.

One of the factors contributing to the increase was the start of production by a new well (Marlim 24) on the Rio de Janeiro coast, which has a flow of 10,000 b/d, according to reports from Petrobras.

The government-owned firm also announced an increase in productivity at wells in the Marlim and Albacora fields and improved operating efficiency in production at Bonito, Cherno, and Corvina (also on the Rio de Janeiro coast) and at Caravelas on the coast of Parana.

Petrobras has completed its drilling of exploratory well 1-RJS-499, located 100 kilometers from the east coast in the Marimba field of the Campos Basin.

Preliminary data indicate the occurrence of good-quality petroleum in reservoirs 53 meters thick at a depth of 3,145 meters. Potential reserves may total from 175 million to 290 million barrels of petroleum. Petrobras will determine the marketability of that new supply of petroleum on the basis of production tests that will begin next week. [passage omitted]

Petrobras Discovers New Reserves in Amazon

95SM0001E Sao Paulo GAZETA MERCANTIL in Portuguese 31 Aug 94 p 16

[Article: "Petrobras Discovers New Reserves in Amazon Region"]

[FBIS Translated Text] The interconnection that Petrobras [Brazilian Petroleum Corporation] has discovered between the Leste de Urucu and Igarape-Marta fields in the Amazon Region increases the area's petroleum reserves by 40 percent, according to AGENCIA BRASIL.

Joao Carlos de Luca, Petrobras' production, exploration, and drilling manager, announced yesterday that a pilot project for utilizing the gas in the region would be carried out in cooperation with Eletronorte [Northern Brazilian Electric Power Plants, Inc.], the objective being to use 1 million cubic meters of gas from Urucu in liquefied form for electricity generation in the city of Manaus after converting the power plants in that city.

The work is based on the premise that the future of petroleum activity in the Amazon Region depends on finding a market for gas. If the project is successful, Joao Carlos de Luca is sure that this will be the way for the firm to use the gas to generate electricity for satisfying demand in the Amazon Region.

Replacing fuel oil, and mainly diesel oil, will mean a savings of from 30 to 35 percent, depending on how much it costs to convert the power plants. Petrobras is currently completing its analysis of that problem.

Chile

Government 'Will Comply' With Laguna del Desierto Ruling

PY2110223894 Madrid EFE in Spanish 1933 GMT
21 Oct 94

[FBIS Translated Text] Santiago, 21 Oct (EFE)—The Chilean Government asserted today that it will comply with the Arbitration Court award going against its proposal in the Chilean-Argentine dispute over the so-called Laguna del Desierto region. The Chilean Government also said that it will assist those entrusted with the mapping of the new border layouts.

Chilean Foreign Minister Jose Miguel Insulza, who announced the Chilean Government's decision, said that the ruling passed today by the Arbitration Court in Rio de Janeiro supports the Argentine proposal for the waters' dividing line, and not the Chilean proposal.

The Arbitration Court, meeting in Rio de Janeiro, submitted today its unappealable verdict (by three votes to two) to the two governments, which had jointly summoned it in 1991 after a meeting held between Chilean President Patricio Aylwin and Argentine President Carlos Menem.

Insulza said that Chile, "loyal to its tradition of upholding its commitments, treaties, and arbitration rulings, will fully comply with the ruling that overruled our proposal by a close majority and established a layout different than the one we proposed."

He added that the Chilean Government would offer its full cooperation to the personnel, assigned by the Arbitration Court, who will in 1995 establish the definitive border line in the region.

The Arbitration court, whose ruling is unappealable, meets in Rio de Janeiro and is made up of its president, Colombian Rafael Nieto; Venezuelan Pedro Nikken; Salvadoran Reynaldo Galindo; Argentine Julio Barberis; and Chilean Santiago Benadava.

The territory in dispute, which encompasses slightly over 530 square km on parallel 62 south latitude and Mount Fitz Roy, is located more than 2,000 km. south of Santiago. This was one of the pending border disputes along the 5,000 km Argentine-Chilean border.

The decision to resort to the Arbitration Court was part of an overall agreement signed in August 1991 by Chilean President Aylwin and Argentine President Menem, which resolved 22 of 24 pending border disputes.

The agreement was achieved within the framework of the political decision of both chiefs of state to strengthen the economic, commercial, and physical integration program that Argentines and Chileans had undertaken in 1990.

On that occasion, a solution was agreed to in the dispute over the Southern Glaciers (Continental Glaciers in Argentina) through the layout of a polygonal line that was subjected to congressional approval.

Congressional approval proceedings in both countries, however, has been delayed due to the reticence of nationalist groups.

The long-standing border dispute dates back to 1902, and in 1965 it posed a threat to peace in the Southern Cone. Chilean Carabineros Lieutenant Hernan Merino Correa was killed at the end of 1965 during a clash of border patrols. This incident sparked a war-like atmosphere between the two countries, and the situation was overcome only after several weeks.

The Arbitration Court started to meet on 26 September, after visiting the region in dispute in February and listening to the cases of the two parties involved in April and May.

Chile and Argentina, which share a common border of over 5,000 km, decided in 1978 to subject to papal arbitration a border dispute over the Beagle Channel Islands, over which both countries went to the brink of war.

This dispute, which was resolved through the mediation of Pope John Paul II, ended with the signing of the Peace and Friendship Treaty in November 1984.

Mexico Abolishes Surtax on Imports of Chilean Fish Meal

PY2110215094 Madrid EFE in Spanish 1433 GMT
21 Oct 94

[FBIS Translated Excerpt] Santiago, 21 Oct (EFE)—The Mexican Embassy in Santiago reported today that Mexico has abolished the surtax imposed on Chilean imports of fish meal, which had been suspended since February 1994 after a charge "dumping" which was not substantiated.

The report was released through a communique stating that "with this resolution the case is fully and definitively closed."

The resolution adopted by the Mexican Commerce and Industrial Development Secretariat (Secofi) will facilitate the immediate resumption of Chilean exports of fish meal to the Mexican market.

At the beginning of this year Mexico decided to impose a surtax of between 2.45 and 28.4 percent on Chilean fish meal shipments, in compliance with a complaint by Mexican producers.

These producers accused Chilean businessmen of selling the fish meal below current costs, an accusation which was submitted to Secofi, which submitted the matter to an investigative committee. [passage omitted]

Labor Minister Interviewed on Miners' Conflict

PY2110182594 Santiago Television Nacional de Chile
Imagen Internacional in Spanish 1000 GMT 20 Oct 94

[Interview with Labor Minister Jorge Arrate by Patricia Espejo in the Santiago Television Nacional de Chile Imagen Internacional studio—live]

[FBIS Translated Text] [Espejo] Good morning, Minister.

[Arrate] Good morning, Patricia.

[Espejo] We just heard Interior Minister Carlos Figueroa say that the government has nothing to do with this conflict [involving Schwager miners]. However, looking at the television clips, we see five ministers negotiating with the miners at La Moneda Palace. If the government has nothing to do with this conflict, why does it get involved. Does it really have nothing to do with it?

[Arrate] The government has no direct relationship with conflicts generated within private enterprises. We live in a country where the role played by the private entrepreneur is recognized by everybody and is constantly admired. The private enterprise must also play this role during difficult times, not only during good times. However, the conflict we have in the mining sector is a problem of a social nature at a regional level, that is, it involves a region where this problem in a private enterprise has surfaced. Due to the fact that the situation of the coal miners is a particularly sensitive issue, the government has undoubtedly assumed this responsibility to the extent, as you have just mentioned, that five ministers yesterday sat down to try to find a solution to the problem.

[Espejo] But, doesn't the government run the risk of having to get involved in many other conflicts that may arise in the private sector?

[Arrate] The government has a development plan for the coal mining sector. This plan has been implemented for some years now. It has been reviewed with the purpose of correcting deficiencies and things that have not been done properly. We are very optimistic about the results of this plan. But, as with any plan of this nature, its significant results will only show in the long term. Therefore, what we must do now—and this is what we tried to do last night with the miners—is find short-term solutions to restore their confidence, their hope. I believe the problem we faced last night was a loss of hope. We were negotiating with extremely human 35-37-year-old men, with men with a great respect for the human being, but who believed that their working days are over because the mine will eventually be closed down. It is

inconceivable that 36-38-year-old Chileans should believe their working days are over and that they must retire.

Therefore, what the government has done is offer them the alternative of a secure job because, may I add, the government has not offered them job opportunities. What it has done is to guarantee all those involved in this conflict job security and a secure income for a significant period of time.

[Espejo] How? In the same area?

[Arrate] Basically, there are two alternatives. I do not want to disclose the details of the government proposal because the leaders have yet to discuss them with the grass roots. Therefore, I do not think it is right for me to disclose the details until they have explained them to their colleagues.

[Espejo] But, according to the miners, they left feeling very discouraged yesterday.

[Arrate] Yes. They were not satisfied with the government offer because they came here to ask for an early retirement. In sum, what they wanted was an early retirement for those with more than 10 years of service. The government was quite clear, frank. When you exercise a public post you have the moral and political duty to be very clear. We cannot retire people with merely 10 years of service in Chile, no matter how hard the job may be. As I told them last night, there are thousands of Chileans who have very hard jobs. This is a country in which exploiting nature is a hard job. It is not a matter of having a few animals in the pastures so that they may breed and of growing wheat. Chile's wealth is in its mountains, the underground, the sea, and there are hundreds of thousands of Chileans holding very hard jobs, probably not as hard as the coal miners' job, but almost as hard.

[Espejo] Minister, what role does the private enterprise for which these miners work play? The miners have resorted to the government; does this mean the private enterprise is washing its hands?

[Arrate] I want to tell you something frankly. I saw the miners on television two or three days ago, some of them inside the mine, and was surprised by the frankness with which one miner, when asked why they had resorted to the government, wondered where they would go if it was not to the government. This clearly shows that in times of crisis, as is the case of the mining sector, the private enterprise is unable to cope.

[Espejo] Is it really incapable, or is it the case that it just does not want to face the problem?

[Arrate] I maintain that it does not have the capacity because I do not want to judge. On one hand, it is obvious that when a phenomenon such as the one affecting the mining sector acquires a regional, localized nature that encompasses an entire zone related to an

activity such as mining, the private enterprise cannot be expected to shoulder the problem alone. But one thing I do believe is that the private enterprise must do something; it must become involved in this process somehow. How? In the first place, it must try to cushion the damage and suffering that a crisis such as the coal crisis entails. In the second place, it must have the capacity to overcome that crisis. In this case, the private enterprise is seriously limited, that is, limited in its capacity to relieve the sorrow of the families affected by the crisis, as well as its capacity to be capable of generating new job opportunities, new resources. Basically, the private enterprises only provide for risks and gains, but in the case of economic crises, such as the productive development crisis, the mining sector crisis, the private enterprise is limited.

[Espejo] Don't you think that by becoming involved the way the government did yesterday, the problem will somehow become a government problem? Don't you think that if these miners striking 1,000 meters below sea level are victims of some disaster, the government will have to shoulder that political cost? Don't you think the people may say the government is to blame and the private enterprise will wash its hands?

[Arrate] You have said it quite clearly. I do not think the government, during these past months, has had such a complex, dramatic situation from the ethical and political viewpoint. There are 200 human beings 900 meters below sea level who are demanding something they believe legitimate. We have had to tell them that their demand is not legitimate because if we were to grant them their demands, we would have hundreds of thousands of other Chileans demanding the same thing. This is most difficult part of exercising a public post. It is hard to say no to people who, in good faith, make a demand that, basically, is mistaken. The government has to solve the problems of more than one group of Chileans; it must try to solve, with justice, the problems of all Chileans. Now, then, we cannot ignore this problem; we must take care of it, we must negotiate with the miners, which is what we did last night. They are willing to negotiate, and we hope the proposal made last night will be appreciated. Very few Chileans have the alternative we have offered them, that is, a secure job for a significant period of time—not two or three months—worthwhile and real jobs, useful jobs, useful to the community, jobs that dignify, not a job obtained out of compassion, a job up to the standards of the coal miners' dignity and moral values. The coal miners are exceptional people.

[Espejo] Minister, thank you for coming to 24 Horas. We hope this conflict will be solved, no matter how.

Inflation, Government Spending Figures Analyzed

95P20039A Santiago EL MERCURIO in Spanish
22 Sep 94 p B1

[FBIS Translated Text] In the last few days the market has been inundated with economic figures and projections, a situation that has increased the work of those who make estimations about the sector.

Inflation: The main news items say that inflation will be 0.7 percent for September, according to what can be concluded from the latest issue of notes by the Central Bank. This figure means that the annual price increase rate, based on that month, would be 10.7 percent, which for the first time this year would fall within the range of the inflation goal of 9 to 11 percent set by the Central Bank.

Government Spending: In spite of the optimism reflected in the inflation figures, in the economic circles there are at least two important concerns: first, the increase in government spending; and second, the behavior of the foreign accounts. Regarding the first concern, Finance Ministry Budget Director Jose Pablo Arellano provided information yesterday about the changes in government spending during the first six months of 1994. It grew 5.6 percent in the first half of this year which, although it is true that this represents a decrease with respect to the trend of the last three years (an average of 8.8 percent), is still insufficient, since the GDP has only had a real variation of 4.0 percent during the same period.

The above is even more worrisome if one considers the growth of government spending without interest, which has increased on average 10.2 percent in the last three years. This shows that state spending has increased 40 percent more than the GDP, which is not in line with the need for all the economic actors to set the same pace, because the weight of the economic adjustment has been borne by the private sector.

In this regard, the rate of expansion of domestic spending dropped from 13.1 percent in the first half of 1993 to only 2.1 percent in the same period of 1994. This fact is important because it shows the change in spending by the private sector—families and businesses—while public sector spending has increased by 40 percent more than the GDP.

Wages: Another source of the inflationary pressures of spending are the changes in nominal wages, which rose 17.8 percent during the first half of the year. This, in addition to the change in government spending, generates a picture that would validate the concerns of the Central Bank that the adjustment is not over and that one cannot set a deadline for when it will end.

Foreign accounts: Last, an important aspect that helps the work of the Central Bank is the change in the foreign accounts, especially the trade balance. On this point the economic authorities have projected growth of about 30 percent in exports and 20 percent in imports. This would generate a trade surplus of almost \$215 million, and this is one of the reasons the [peso/dollar] exchange rate is stuck at the lower limit of the currency flotation band.

This situation relieves inflationary control, since a not inconsiderable percentage of the inflation indicator (consumer price index) is directly influenced by the value of

the dollar. However, one would hope that the government authorities will cooperate more intensively in this adjustment process which involves all the country's economic actors.

Telephone Multicarrier System 'Complete Success'

95P20038A Santiago EL MERCURIO in Spanish
25 Sep 94 p C5

[FBIS Translated Text] Valparaiso—The multicarrier system for telephone communications has begun to operate with complete success in the Fifth Region, Minister of Transportation and Telecommunications Narciso Irureta said yesterday. Irureta, accompanied by Under Secretary Jorge Rosenblut and Regional Intendent Hardy Knittel, dedicated the multicarrier service at the CTC [Telephone Company of Chile] switching center in Valparaiso, and after touring the different businesses that are operating with the system he said that it is working without problems.

This is the third area where the multicarrier has begun to function. It is already working in Talca and Curico (where the lines became overloaded), and in Chillan and Temuco (where there were no problems). Valparaiso is the area with the second highest amount of telephone traffic in the country.

Irureta repeated that with this system Chile has placed itself in the vanguard of telecommunications with respect to the other Latin American countries. He stated that this new system means higher quality domestic and international long-distance services and considerable reductions in the rates, which have been left to free market competition. "Reductions averaging 30 percent in comparison with the long-distance rates that have prevailed up to now are expected," he said. He asserted that the users are the only ones who will benefit from this new service, and stressed that for it to work optimally the public needs to cooperate.

The Second, Third, and Fourth Regions will join the system in the next few days, and the Tenth, Eleventh, Twelfth, and Metropolitan Regions will join on 29 October. Easter Island has been connected to the system, but the calls must be made through an operator. A definitive solution will be found by the end of the month.

Colombia

Suspected Guerrillas Bomb Supermarket; 1 Injured

PA2210050094 Paris AFP in Spanish 0359 GMT 22 Oct 94

[FBIS Translated Text] Santa Fe de Bogota, 21 Oct (AFP)—A medium-intensity bomb exploded on Friday evening at a supermarket in southern Santa Fe de Bogota, injuring one person and causing damage, reported Radio Cadena Nacional, which quoted spokesmen from the Firemen Corps.

The casualty, whose condition and identity were not revealed, was taken to a nearby medical center, the sources said.

The bomb was reportedly placed by urban guerrilla commandos who are trying to obstruct the gubernatorial and municipal elections that will be held in Colombia on 30 October.

According to the first official reports, the supermarket's windows and facade, as well as those of other stores next door, sustained considerable damage.

The police, who launched a search for the terrorists throughout the city, strengthened a control operation implemented earlier this week to guarantee a normal electoral process.

Mormon Churches Bombed

PA2210192594 Hamburg DPA in Spanish 1650 GMT
22 Oct 94

[FBIS Translated Text] Santa Fe de Bogota, 22 Oct (DPA)—Authorities have reported that three medium-intensity bombs exploded early this morning in Santa Fe de Bogota, capital of Colombia, and in Neiva, southern Colombia, injuring one person.

Two of the explosions affected religious centers of a U.S. Mormon community, while the third partially destroyed a clothing store.

According to the police, the actions against the Mormons in Neiva were the work of suspected members of the Simon Bolivar Guerrilla Coordinating Board (CGSB), which in recent weeks has intensified its attacks on foreign interests.

The authorities did not indicate who was responsible for the explosion at the Santa Fe de Bogota clothing store. The city awoke this morning with a raging fire in the San Victoriano market area, where several stores were destroyed. The fire caused more than \$1 million in losses. In the same area, a boiler exploded, injuring three people.

ELN Claims Attack on Senator, Threatens More Attacks

PA2310202694 Santa Fe de Bogota Invision Television
Canal A Network in Spanish 1800 GMT 22 Oct 94

[From the "Cripton Newscast"]

[FBIS Translated Text] There are contradictory signs coming from the rebel groups this morning. On the one hand, the Army of National Liberation [ELN] claimed responsibility for the murder of former Senator Felix Salcedo Baldion, which occurred last Tuesday in Cucuta. Almost simultaneously, the general secretariat of the Revolutionary Armed Forces of Colombia [FARC] invited the president of the senate to join them in peace talks. The political leader said he would.

In a communique, the ELN justified the attack against former Senator Felix Salcedo Baldion on charges of political and administrative corruption. They said the people of Norte de Santander had rejected him in the last election, as he was not elected despite his political machinery. The ELN also recalled that the Council of State stripped Salcedo Baldion of his parliamentary status due to a conflict of interest. They warn of other attacks against the corrupt and unscrupulous leaders across the nation.

Juan Guillermo Angel, the president of the National Senate, publicly accepted an invitation by the FARC General Secretariat to begin direct talks aimed at bringing peace to the country. Senator Angel also disclosed a FARC proposal to review current public security legislation, adding that the proposal will be presented before the National Congress in due time.

Parliamentarians Remark on Drug Trafficking Talks in U.S.

PA2310032794 Santa Fe de Bogota Inravisoin Television Cadena 1 in Spanish 0130 GMT 23 Oct 94

[From the "TV Today" newscast]

[FBIS Translated Text] U.S. Congressmen have transmitted veiled threats to a delegation of Colombian parliamentarians visiting Washington. According to delegation members, U.S. Congressmen could even propose an air and naval blockade against Colombia to put an end to drug trafficking.

The Colombian delegation of six parliamentarians has been in Washington for two weeks in order to exchange views with U.S. Congressmen. As part of the agenda, Colombian and U.S. legislators discussed drug trafficking:

[Begin Congressman Antonio Alvarez recording] The U.S. Government (has been pressured) to blockade Colombia by land, sea, and air, in a manner similar to what was done to Haiti, so that no additional cocaine can get out of Colombia and kill their children. [end recording]

According to the Colombian congressmen, the problem of the guerrillas is downplayed in the United States, and it is said instead that drug trafficking is the scourge of mankind:

[Begin Roberto Camacho, Chamber of Deputies vice president, recording] Certain parliamentarians have even said if the drug trafficking problem is not radically resolved, it would be treated as a war, theoretically. In such an instance, the U.S. Government could try a blockade by land, sea, and air. [end recording]

It was even said that people have closed ranks against Colombia in the United States:

[Begin Camacho recording] There is indeed a very strange climate at all levels in the United States

regarding drug trafficking. There is a fixation against drug trafficking. Colombia is regarded as the world's most dangerous country, the one which is harming their youths. [end recording]

The United States has suggested through the Colombian congressmen that Colombia take a strong and determined action to eradicate drug trafficking.

Document Details Structure of Valle del Cauca Cartels

PA2410044294 Santa Fe de Bogota EL ESPECTADOR in Spanish 18 Oct 94 pp A-1, A-8

[FBIS Translated Text] The state's security organizations admit the drug cartels of Valle del Cauca Department have a well structured organization that allows them to produce 80 percent of the world's cocaine and to have enormous power to infiltrate different state organizations.

This statement is revealed in a document detailing the structure and operation of the drug organization in this region of Colombia.

The drug cartels of Valle del Cauca have a multiorganizational structure comprised by an armed branch for protection, an intelligence gathering and communications apparatus, various financial fronts, and a number of groups with political, legal, and friendly connections, including a public relations group.

EL ESPECTADOR has learned that the previous information is contained in a state security organization report in which the structure and operation of the Valle del Cauca criminal organizations are described in detail and the head of each cartel is identified.

Despite the fact it has often been said that drug cartels do not operate in this department, only isolated groups of drug traffickers, the report states that the Cali Cartel, the Centro del Valle Cartel, and the Norte del Valle Cartel operate in this area and that they have well structured organizations led by 200 men whose names and particular activities are clearly identified.

Presently, 13 airplanes have been identified, although the use of airplanes stolen in neighboring countries has been detected recently, but it is also well known that the organization has a large fleet of quality ships equipped with hidden compartments that make trips to different ports in the United States and Europe, particularly Spain and Rotterdam, Holland, a port which at the same time supplies the cartels with most of the chemicals needed to refine cocaine.

Among commercial activities used to launder the profits of the sale of 80 percent of the cocaine consumed in the world, the search is centered on currency exchange markets, travel agencies, soccer teams, automobile concessionaires, concerts, imports, and stock market brokers.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The analysis recognizes the strength of the Valle del Cauca cartels lies in their economic and infiltrating capabilities, their low profile regarding violence, their ability to manipulate the media, the academic preparation of their leaders, and their "manipulation of the administration of justice to create legal norms that give them more strength."

According to the document, the Cali Cartel is led by the brothers Gilberto and Miguel Rodriguez Orejuela, Jose Santacruz Londono, (Helmer Pachó Herrera Buitrago), and Jorge Orejuela Caballero. The Norte de Valle Cartel, which controls criminal activities in that area of the department, is directed by brothers Ivan and Julio Favio Urdinola Grajales but has four other leaders of the same rank, like the Centro del Valle Cartel.

Each one of the "partners" of these cartels is identified, up to the intermediate level, and the function of each one of them within the structure of legal companies, the armed group, the legal front, and the communications or financial group to which he belongs are established.

The report confirms that certain drug processing laboratories are operating in the municipalities of Norte del Valle, but most of them are installed in the eastern plains and Tolima Department, even though Cali Cartel cocaine processing laboratories have been discovered in the United States or on the high seas within sophisticated ships.

Samper Not To Restrict Media Coverage on Crime

PA2110192094 Santa Fe de Bogota Inrvision Television Canal A Network in Spanish 0000 GMT 21 Oct 94

[Report by Raul Gutierrez; from the "24 Hours" newscast]

[FBIS Translated Text] During the annual Simon Bolivar Awards ceremony, President Ernesto Samper said his government will not adopt any measure to restrict media coverage on issues dealing with the public order and the fight against organized crime. In return, he asked the media to subscribe to a self-regulating code.

[Begin Samper recording] Reporters themselves must submit to their good judgement the manner in which they report the news. [end recording]

Samper also referred to what he called an epidemic outbreak of protectionism [tutelitis], which threatens the freedom of the press. He said that in his branch, the judges must be especially careful of the protection they concede.

[Begin Samper recording] There are many cases in which Justice itself forgets to guarantee the journalists' rights to protection, while supposedly defending other fundamental rights. [end recording]

During the Simon Bolivar Awards ceremony, 15 journalists from different media organizations were awarded diplomas, medals, and cash prizes.

The lifetime achievement award was given to Juan B. Fernandez of the Baranquilla newspaper EL HERALDO.

First Issue of New Newspaper Goes Into Circulation

PA2410032094 Santa Fe de Bogota EL TIEMPO in Spanish 21 Oct 94 p A-7

[FBIS Translated Text] The first issue of PAGINA 13, a foldable newspaper which is directed by Maria Teresa Ronderos and which specializes in political analyses, went into circulation this week.

The new publication will try to earn for itself a space in the world of specialized information similar to that obtained by NOTA ECONOMICA, a creation of the group that is now fostering PAGINA 13.

The foldable newspaper is being endorsed by an editorial council composed by Maria Elvira Bonilla, Napoleon Franco, Jose Antonio Lloreda, Cristian Mosquera, Jorge Ospina Sardi, and Felipe Zuleta Lleras.

The first issue analyzes at length, among other issues, the differences between the government of the United States and that of Colombia following the scandal of the narcocassettes and the statements by Joe Toft.

Regarding the position adopted by President Samper, the newspaper believes his strategy of maintaining good relations with the White House through Ambassador Frechette as well as his idea of deflating the DEA's profile in Colombia could be good, but results "depend on his ability to clear doubts Washington still has about his willingness to strike the drug cartels," the newspaper concludes.

The newspaper has eight sections offering up-to-date information, profound analyses, and a good dose of irony.

PAGINA 13 will circulate on a subscription basis only. Its address is: Office 303, 93-94 Carrera 11. Telephone: 6219046.

Administration's Social Program Critiqued

94CA0190A Santa Fe de Bogota EL ESPECTADOR in Spanish 18 Sep 94 p 12A

[Article by Andres Lopez Restrepo, economist, academic researcher at the IEPRI, Institute for Political and International Relations Studies, of the National University]

[FBIS Translated Text] In the anti-inflation campaign, Rudolf Hommes, the finance minister in the Gaviria administration, introduced two previously unknown mechanisms in Colombia. First, he based wage increases on expected inflation and not on past inflation, as had

been traditional here. And then he tried to control the inflationary expectations of Colombian producers and workers by setting gradually declining goals.

Considered in themselves, the results of these policies were partially successful, as they reduced inflation by more than four points between 1991 and 1993. However, the goals were never met, which created frustration in the citizens, and especially among the workers, whose wages had been set by the national government using the desired inflation rate as a goal.

Opposition grew as prices administered by the government (basically gasoline and public services) rose at a rate considerably higher than the rate of inflation. Still, Hommes was well aware that economic policies are composed both of economics and of politics. He only abandoned his commitment to the price increase goals on the day when reality showed they would not be met. Nobody had any doubt that he was doing everything within his power to control inflation. So it is easy to assume that, if not for his actions, Colombia would be facing price levels higher than they currently are.

Perry, though, displays no inclination at all of wanting to influence anyone's inflationary expectations. Opinion is growing more prevalent—now even *THE ECONOMIST* is saying this—that inflation will rebound. Confirming such fears, Perry is starting to create a scenario for rising inflation by saying that if in September 1996 inflation exceeds the wage increase at the end of this year, the government would consider a new wage boost. When we add to that the dismantling of liberalization in agriculture—primarily to favor landowners represented in the SAC [Association of Colombian Farmers]—and which will most likely then be extended to industry, we will have a perfect scenario for businessmen to drive up inflation. Our neighbors in the south of this continent know very well what happens next. The road to hell is paved with good intentions.

The national government denies such a possibility and claims that the role of the Social Pact is to commit both businessmen and workers to keeping price increases moderate. But in a very clear display of the schizophrenia that characterizes this administration's economic policy, it is simultaneously saying that the party primarily responsible for inflation is the Bank of the Republic. And it concludes with a new change in course, saying that in any event a decision will only be made in November, when the Bank of the Republic sets its inflation goals for the coming year.

In the end, what exactly is this famous Social Pact? That is not very clear, although certain indications give us some ideas about it. The government has been advised by Mexican experts who have explained how the pact works in their country. The all powerful PRI [Institutional Revolutionary Party], which controls the big Mexican unions, was successful in getting the workers' organizations to agree to postpone their demands, but in

return it brought hyperinflation under control and negotiated the North American Free Trade Agreement, on which that country's future development is based. In Colombia, though, we have had no hyperinflation, no imminent change in our international economic relations is pending, and with the exception of some state sectors, we do not have representative unions. Fortunately for the workers, the national government does not intend to ask them to make additional sacrifices.

The Social Pact was officially named "Agreement on Competitiveness, Prices, and Wages," although some people call it an "Agreement on Productivity." This confusion is not just a matter of semantics, but reflects a very profound difference in concepts. Underlying the idea of productivity is the aim of improving both labor skills and technology: this is the road to development. But competitiveness may be achieved with mechanisms like devaluation, a form of wishful thinking which in the long run only generates more inflation.

Then there is the part related to prices and wages. In terms of prices, it may be expected that the government will in the end make sacrifices in the prices it administers, as the revaluation criticized by the present government has greatly improved the position of Ecopetrol [Colombian Petroleum Enterprise] and of the electricity sector, and has decreased the relative weight of the public sector's external debt. For the private sector, due to the gradual dismantling of liberalization, the principal instrument the government has left to control prices is "jawboning." Maybe Samper and Perry will be able to stir the hearts of businessmen.... Finally, there remains the problem of wages. The finance minister has already promised that next year's wages will be equal to the expected rate of inflation plus productivity increases. What productivity? The productivity of each state institution or enterprise, of each economic sector, of each urban and rural sector...? None of the above. Productivity is being used as an excuse to undo Hommes' policy and return to setting wages based on past inflation. Obviously the workers should not have to bear the brunt of the anti-inflation policy, but lowering inflation to one-digit figures would be the best way to keep wages up in real terms, and that is the opposite of what the present government is doing.

Ecuador

Congress Censures, Dismisses Energy Minister

PA2110224594 Madrid EFE in Spanish 1515 GMT
21 Oct 94

[FBIS Translated Text] Quito, 21 Oct (EFE)—The unicameral Ecuadoran Congress today censured and dismissed Energy Minister Francisco Acosta for administrative mistakes in the handling of the country's hydrocarbon policy.

Of the 77 deputies in Congress, 53 voted in favor of the minister's censure, and only six members of the Ecuadoran Conservative Party (PCS) supported him. There is

an ample majority of deputies in opposition to the government, which is presided over by conservative President Sixto Duran-Ballen.

The opposition deputies accused Acosta of favoring the U.S. oil company Texaco by not expediting an environmental inspection in the Ecuadorian Amazonia to determine the damage caused by the company to the population and ecosystem in over two decades of operation in the zone.

Legislators Satisfied With Censure

PA2210011294 Quito Voz de los Andes in Spanish 2300 GMT 21 Oct 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] After Energy and Mines Minister Francisco Acosta was censured by 56 votes, legislators expressed their satisfaction, saying Ecuador will no longer have the minister who attempted to sell Amazonia to Texaco Petroleum Company. Pedro Lino Sanchez, one of the minister's interpellators, had this statement to say:

[Begin Sanchez recording] Congress endorsed our position, and we succeeded in having this misbehaving minister, who has harmed the Ecuadorian people so much, censured. In particular, we stopped this new crime from being perpetrated. Although Texaco had inflicted extensive damage on Amazonia, it would have received a new contract. The alleged construction of an unjustified new oil pipeline and the attempt to strangle state enterprises, particularly Petroecuador and INECEL [Ecuadorian Institute of Electrification], constitute antinational actions we could not permit. [end recording]

Sanchez flatly said Acosta not only had to be censured but should be sent to prison, because he had committed a number of irregularities. This view was refuted, however, by the conservatives, who said one of the present government's best ministers was going out, unfortunately.

Minister: Congress Violated Procedures

PA2210005294 Quito Voz de los Andes in Spanish 2300 GMT 21 Oct 94

[From the "The Voz Andes Newscast"]

[FBIS Translated Text] Government Minister Marcelo Santos said Congress violated legal procedures when it arbitrarily eliminated the debates during the political trial against Energy and Mines Minister Francisco Acosta Coloma.

The government minister said the debate process is a fundamental aspect of the bylaws of the legislative branch and procedures, because it affords parliamentarians the opportunity to present their reasons for approving or disapproving the dismissal of the minister who is being tried.

Santos added Congress' actions during the past hours reflected the dictatorship of the vote, because it disregarded and did not even consider the large amount of evidence presented by Acosta to counter the charges against him.

Congress did not conduct this political trial with due responsibility to its authority to oversee government actions, he added.

Official: Legislature's Power Must Be Cut

PA2210045894 Paris AFP in Spanish 0208 GMT 22 Oct 94

[FBIS Translated Text] Quito, 21 Oct (AFP)—Ecuadoran Vice Minister Alberto Dahik said Friday that the legislature's power to remove ministers of state, as it did early this morning with Energy and Mines Minister Francisco Acosta, must be reduced.

The vice president explained that the government's constitutional reform proposal, which Congress is currently debating, includes the issue of removing ministers, since that power, when used incorrectly, merely makes the country more ungovernable.

Acosta is the third energy and mines minister that President Sixto Duran-Ballen has lost in the past 26 months in office, a situation that has called into serious question the ease with which the Ecuadorian legislature can remove ministers.

According to Dahik, Ecuador has lost a valuable minister, and he recalled that Acosta had made several positive achievements during his 15 months in office.

Among these accomplishments, the vice president mentioned the seventh round of international petroleum negotiations aimed at ensuring risky investments in hydrocarbon explorations. Acosta also brought about the tapping of gas in the Pacific discovered more than a decade ago and supported the construction of a new pipeline that would guarantee and increase the shipment of Amazonian crude to the ocean.

President: Congress Blocks Constitutional Reform

PA2110164594 Quito Voz de los Andes in Spanish 1200 GMT 20 Oct 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran President Sixto Duran-Ballen has said he disagrees with Congress' decision to initiate a political trial against his energy and mines minister, saying Congress actually wants to obstruct the constitutional reform bill. The president said that, if necessary, he would call for another referendum, the results of which are already known, because he is sure the country supports him and would support a new reform.

The reform bill is yet to be discussed in Congress, 90 days before the deadline given by the government.

Congress President Heinz Moeller said the remaining days will be more than enough to approve the reforms, however, a consensus on their discussion has not yet been reached and it all seems to indicate that Ecuador will require a new referendum to approve such reforms.

Poll Reveals Expectations of New Congress

95P20048

[FBIS Media Note] Quito HOY on 4 September reported on a four-question Informe Confidencial poll asking an unspecified number of Guayaquil and Quito residents their opinions on the new Congress which began its session in August. According to the poll, Congress, under its newly elected president, Heinz Moeller, was expected to devote itself to passing legislation and funding more public works in the provinces instead of interpellating ministers and investigating corruption scandals, as it is currently. The people said they also wanted Congress to cooperate with the executive branch. Pollsters Jaime Duran Barba and Santiago Nieto observed that, although Congress was suffering from "low prestige" and people termed it a "disaster," there was encouraging news. According to the pollsters, Congress is "working hard" at revamping its image, legislators now come to work five days a week instead of their habitual three, and their behavior no longer resembles that of "street gangs."

Respondents to the first question—"What would you like the new deputies to do?"—were provided with three possible answers: pass legislation, interpellate ministers, and fund projects in the provinces. Forty-eight percent in Quito said they wanted Congress to devote itself to passing legislation, while 53 percent in Guayaquil said they wanted Congress to allocate more funds for the provinces. Only 15 percent of respondents from both cities said that they would like Congress to interpellate ministers for improper conduct and corruption, and 10 percent did not respond. Duran and Nieto explained that the high priority Guayaquil respondents gave to the funding of provincial projects was evidence of the centralization of power around the capital of Quito and the importance of having sufficient provincial representation in Congress. The interpellation of ministers was low in priority among residents of both Quito and Guayaquil because, as the pollsters pointed out, people are "tired of scandals," think the ministerial interpellations are a "waste of time," and want solutions to real problems, such as "unemployment, hunger, and insecurity."

"Should Congress cooperate with the government to solve the country's problems, or should Congress oppose the government to correct the president's mistakes?" A majority, 61 percent from Quito and 64 percent from Guayaquil, was in favor of Congress cooperating with the executive branch. Nevertheless, in response to the third question—"Will Congress cooperate with or oppose the current government?"—54 percent of Quito respondents and 49 percent of Guayaquil respondents expected the executive branch to encounter opposition from Congress.

A divergence between the country's two major regions was again evident in the responses to the fourth question, "Will a Congress headed by Moeller be better than Congress headed by Belletini?" While 60 percent of Guayaquil respondents expected an improvement under Moeller, 51 percent of Quito respondents expected things to decline or remain the same.

Peru

Higuchi Reiterates Charges of Election Fraud

PY2110174194 Lima Global de Television Network in Spanish 0130 GMT 21 Oct 94

[FBIS Translated Excerpt] After learning of the National Election Board [JNE] decision eliminating her party Harmony 21st Century from the electoral process, Susana Higuchi de Fujimori reiterated, during a news conference today, charges of the existence of fraud attempts against the elections.

Mrs. Fujimori said she will run for a seat in Congress to carry out a constructive opposition and announced a protest rally for tomorrow.

Susana Higuchi expressed regret at the JNE's decision, and stated that this reveals the existence of fraud carried out with the use of technology. The former first lady of the nation stated that the protest rally she will lead tomorrow will be the last battle she will fight, and dismissed the possibility of resorting to international organizations.

[Begin recording] [Higuchi] I believe we also have a right to protest and report the existence of obvious fraud against the elections through the use of technology. I believe the decision to prevent Harmony 21st Century from participating in this phase of the electoral process is more than obvious.

[Unidentified reporter] Are you going to withdraw your candidacy or continue your battle for the presidency?

[Higuchi] Well, I will wage another battle tomorrow with a march to protest the use of consecutively numbered voter registration cards for registration purposes.

[Reporter] What comes after that?

[Higuchi] After that we are looking into the possibility of participating in the electoral process with candidates for seats in Congress. But we are still studying whether or not I will head this ticket.

[Reporter] When will this decision be made?

[Higuchi] Probably in one's week time.

[Reporter] [question indistinct]

[Higuchi] Undoubtedly. [passage omitted]

JNE Head Details Registration Irregularities

PY2110203794 Lima Global de Television Network in Spanish 0130 GMT 21 Oct 94

[FBIS Translated Text] Upon resuming his activities, National Election Board [JNE] President Ricardo Nugent said that the reason why so many of the signers of registration lists had been rejected was because people sign without assuming responsibility and make many mistakes.

He stated emphatically that JNE decisions cannot be appealed.

Although Nugent was categorical in stating that the JNE resolutions cannot be appealed, because it is the highest authority regarding electoral matters, he said that any petition it receives, such as a request for additional time to submit more lists of supporters, will be assessed before a decision is issued. JNE spokesmen, however, stated that any petition would be rejected.

[Begin recording] [Nugent] The law is categorical. We abide by the law, and 11 October was the deadline for completing this procedure. There is a communique that clearly explains this issue, although unfortunately it was not published by the media, except for EL PERUANO.

[Unidentified reporter] [question indistinct]

[Nugent] Well, that is the end of the problem. [end recording]

In Nugent's opinion the reason for the high percentage of annulled signatures—which is why several political parties were not registered for the upcoming elections—is irresponsibility on the part of citizens who signed the supporters lists in irregular ways.

[Begin recording] [Nugent] The signatures of some of the supporters on the registration lists were objected to either because the individual is dead, because his name is not registered at the public registry, or because he is serving a sentence passed down by the Court, and cannot exercise his civil rights. There are constituents whose names do not appear on lists, in other words, nonexistent people; supporters whose surnames are incorrect; supporters on the same list, that is, supporters who sign 15 or 20 times under the same name on different petitions; supporters without a voter registration card number, who sign happily without mentioning their card number; supporters who have written their registration card number with seven or fewer digits, that is, nonexistent registration cards; supporters who have written their registration card number with nine or more digits, that is, nonexistent registration cards; and supporters whose registration card number is illegible. The Attorney General's office will have to intervene, because this represents forging of public documents. [end recording]

He added that this will serve as an example, so that when a signature is requested the presentation of the registration card will be required and the photograph verified.

Official on Money Laundering Control Proposals

PY2210001194 Lima EL COMERCIO in Spanish 10 Oct 94 p A16

[FBIS Translated Text] A seminar on the control of money laundering activities and on ways to coordinate legislation among those countries affected by it was held during the last week of September in Quito, Ecuador. Important proposals were discussed, such as the establishment of an "anti-legalization unit" and the ending of the principle of the burden of the proof, under which a person is innocent until proven guilty. Luis Lamas Puccio was the Peruvian representative at this seminar.

[EL COMERCIO] What was the objective of the seminar?

[Lamas Puccio] To urge countries on the need to establish punitive statutes for money laundering activities, the legalization of capital and the transfer of funds derived from narcotrafficking.

[EL COMERCIO] What was proposed?

[Lamas Puccio] One of the recommendations was to establish an "anti-legalization unit" to act as an intermediary between the bank system and penal control institutions.

[EL COMERCIO] How will it operate?

[Lamas Puccio] First we would establish regulations within our bank system to allow us to properly identify this kind of activity. This will have to be done from basic levels, like bank tellers, to provide us with the pertinent information for the anti-legalization unit. This unit will assess the activities conducted within the bank system that may be subjected to penal charges.

[EL COMERCIO] How would this unit be formed?

[Lamas Puccio] It would comprise one judge, one prosecutor, and one policeman or person attached to the bank system within the framework of the Superintendency of Banks and Insurance. The information would be received, verified with other institutions—like the Sunat [National Tax Administration Superintendency], the BCR [Central Reserve Bank], the Economy Ministry, etc.;—which may have evidence or specific information to prove the existence of money laundering transactions.

[EL COMERCIO] What other proposals were discussed?

[Lamas Puccio] It was concluded that it is highly important to end the principle of the burden of the proof. What does this mean? Let us suppose I believe a person is engaged in money laundering activities. That person would have to prove to the authorities that his money, his wealth or patrimony, was not acquired illegally.

[EL COMERCIO] What other proposals were discussed?

[Lamas Puccio] That relations can be established between wealth and tax statements submitted to the

pertinent tax control organizations through a proper control on wealth and tax evasion.

[EL COMERCIO] Is a country's fiscal policy also tied to the money laundering problem?

[Lamas Puccio] Narcotrafficking and "narcodollars" have distorted Peru's economy. We assume it is a macroeconomic problem because our monetary and financial policies are subject to the IMF demands and many times international financial policies contradict legal initiatives.

Uruguay

Lacalle Discusses Achievements, Prospects

PY2210014294 Montevideo EL PAIS in Spanish 13 Oct 94 p 8

[Article by correspondent Edgar Martinez Lucero]

[FBIS Translated Text] Minas—On the wet morning of 12 October, President Luis Alberto Lacalle asserted that "I am leaving a better country than the one I inherited."

Following a ceremony in which the 11th Infantry Battalion, headquartered in Minas, was given the name "Juan Antonio Lavalleja," the head of state gave a brief news conference on the premises. He said: "We will support and help the new administration regardless of the candidate who wins in the polls."

Lacalle took the opportunity to reiterate the need for "a legislative pact" that will enable the passing of bills that are paramount for the country, such as those on state-owned enterprises, pensions, and of course the budget.

The president began by assessing some of the aspects pertaining to defense services, which in his view have become more efficient, and announced that a "rationalization" of military salaries was under way.

Asked to take stock of the defense area, Lacalle pointed out that "at a time when the state's administration is being critically analyzed in order to improve it, such a significant, such a fundamental part of the state as national defense cannot be left out of such an analysis."

He went on to say that "through internal regulations and decrees, we have established guidelines for the use of the materials and human resources managed by defense."

By way of example, the head of state said that "the Armed Forces' educational system has greatly improved, the equipment of all units has been upgraded, and we are studying ways to rationalize salaries." "We have established commissions and advisory groups so as to be able to detect whether the provision of services like the Armed Forces' health service, which provides health coverage for over 200,000 people, is efficiently done, and to check on purchases and the rationalization of expenditures. All this goes to prove that the government is very much interested in enhancing the provision of this

indispensable service, the defense of our country, in the face of possible external or subversive conflicts, so that citizens may be free from worries."

Asked about the lack of proposals when the elections are not even two months away, the president of the Republic replied that "during a radio program" he had already said that the candidates "ought to discuss proposals at greater length."

Lacalle further stated that "I think that nowadays the media enable us to have gigantic electronic meetings. All political parties should discuss each party's proposal among themselves, because in 40 days' time one of them will have to rule the country. The election campaign should, therefore, revolve around parties' proposals. People vote for candidates for something—they want to entrust them with a mandate, but they also want to know what the candidates will do with the power that is delegated to them for five years."

Lacalle said that the next administration will have to promote the signature of a major parliamentary pact so as to enact some important laws. By way of example, he noted that more stress should be laid on "a law on state-owned enterprises, another one on the defense of the pension scheme, and—undoubtedly—the budget, which is the great development and government program."

He underscored that "we advocate a legislative pact, because we know by experience over the years that what has been missing are laws, rather than actions by the government or the executive; what was missing was the passing of fundamental laws like the ones I have just mentioned."

Asked whether he would leave behind a better Uruguay than the one he found when he came to power, Lacalle answered that "in all the areas of our country's life I am going to have the patriotic and personal pleasure of bequeathing to you a better country than the one I inherited."

"I hope that the next president will be able to say the same thing at the end of his tenure because we should strive for progress, and the country is about to make tremendous progress," he added.

The president moreover said that "the domestic and regional foundations have already been laid—I speak of Mercosur [Common Market of the South]—so that Uruguay might have a wonderful future. We must all put our shoulder to the wheel so that the next administration can be an excellent one."

He reflected: "Whoever wins the elections, and once the electoral excitement dies down, will surely form a great government. And we should all support it and help it, because it will be our government."

In concluding, Lacalle broached two issues—the Miami summit and his political future. With regard to the former, he said that "there is a certain reluctance to include several subjects," but declined to make further comments.

Concerning the latter issue, Lacalle asserted that he will continue to engage in politics because "once one has devoted 35 or 36 years to this activity, one can no longer change. I therefore expect that I will continue to be an agent for public opinion and a militant in my party," concluded President Lacalle.

Presidential Candidate Tabare Vazquez Interviewed

PY2110223594 Montevideo EL PAIS in Spanish 15 Oct 94
p 10

[Report on interview with Progressive Encounter presidential candidate Tabare Vazquez, former Montevideo mayor, by Neber Araujo at Teledoce Televisora Color studios in Montevideo on 14 October]

[FBIS Translated Excerpt] Araujo asked him first what kind of government the Progressive Encounter would build:

"A government for all Uruguayans, without considering political differences," Vazquez answered, adding that his government would be like his administration at the Montevideo City Hall, which solved problems and which was more interested in the people than in numbers. Vazquez said he handles figures carefully. Proof of this is that he did not have to ask the national government for help. He administers resources with clarity.

Vazquez said that Montevideo City Hall did not implement a fiscal adjustment but a mechanism of indexed revenue adjustment every four months. This resulted in a municipal budget that increased from \$75 million to \$220 million with financing produced by genuine sources such as property taxes. Many people were paying their taxes as if their lots were empty when they were built on. Vazquez said: "The principle we used was: Those who have more pay more and those who have less pay less."

Araujo asked Vazquez how this could be implemented nationally.

Vazquez explained that the Progressive Encounter proposes a change in tax policies because "unbelievable as it may seem, today in Uruguay, you must pay to produce and to work."

Vazquez said revenues are currently based in indirect taxes like VAT [Value Added Tax] and the Imesi [Specific Domestic Tax]. The Progressive Encounter will place more emphasis on income taxes, inheritance taxes, unproductive land taxes, and taxes on imported luxury items, particularly those that create unfair competition for national products because they are subsidized.

He maintained that there has been a drop in production. The loss of jobs has taken the unemployment level to 10.2 percent as a result of subsidized imported goods.

He stressed resources will be obtained through taxes on sectors that can afford them.

Araujo then asked if the government of the Progressive Encounter would be on the lines of Felipe Gonzalez' Spanish Government.

Vazquez said: We expound our ideas with respect, without insult or personal attacks. Uruguay had a government of transition, the government of Julio Maria Sanguinetti, which was successful in strengthening democracy, but not in the economic sector because he began his government with an inflation of 60 percent and concluded it with inflation of 90 percent. Luis Alberto Lacalle's government achieved stabilization and economic growth, but he has not achieved development. The time has come for a progressive modernization with a sound solidarity that will seek development because, "under a Progressive Encounter government the 'e' of economy will be no larger than the 'e' of ecology, education, or ethics."

Regarding Sanguinetti's remarks about the great ideological confusion within the Broad Front, Vazquez thanked Araujo for the question because it allowed him to clearly explain that the presidential candidate of the Batllista Forum is merely producing a smokescreen. The Progressive Encounter has one program and one candidate for each post, but that is not the case of the Colorado Party or the National Party. He added that if the Colorado Party wins, which is very unlikely, Sanguinetti will have to seek internal agreements with Jorge Batlle; if the National Party wins, Alberto Volonte will have to seek an agreement with Juan Andres Ramirez. There were long discussions within the sphere of the Broad Front and the Progressive Encounter. From this emerged the idea of one program and one candidate per post.

Araujo reiterated that within the Broad Front and the Progressive Encounter there are different lines of thought, which prompts doubts as to how it could govern.

Vazquez answered: "We will govern as we governed the city of Montevideo," pointing out that during the campaign each sector adopts the strategy that best suits its objectives, but always supporting the one program and the sole candidate. "Everyone with their strategy works for the Progressive Encounter," he emphasized. "The program was discussed profoundly and in total freedom within the Broad Front during a multitudinous congress, the like of which no other party has yet been able to match."

Araujo mentioned to Vazquez that there had been no agreement on programs regarding the Armed Forces and the banking sector.

Vazquez stated that this is not true because the guidelines regarding these two sectors were approved and are included in the Progressive Encounter's program that he is disseminating "village by village, town by town, and city by city in the interior."

Vazquez stated that he is absolutely convinced he will win the 27 November elections because the polls indicate

a technical tie between the Colorado and National Parties, while the leftist coalition is only 4 points behind. He said the Colorado Party is losing ground, while the National Party and the Progressive Encounter are gaining. He believes the National Party is gaining because voters are switching between the two traditional parties, while the undecided are choosing the Progressive Encounter.

He stressed that the election will be decided between the National Party and the Progressive Encounter, "and I believe the Progressive Encounter will win." [passage omitted]

National Party Leads Polls; Broad Front Support Up

PY1910143894 Montevideo Radio El Espectador Network in Spanish 0900 GMT 19 Oct 94

[FBIS Translated Text] Juan Andres Ramirez has announced that the opinion polls indicate that the National Party has now surpassed its traditional adversary, the Colorado Party.

Last night the presidential candidate announced that the opinion polls indicate the National Party has already surpassed the Colorado Party, and he attributes this to the fact that Uruguayans have become aware and now know that there is a firm foundation upon which the future can be built, saying this in allusion to the accomplishments of the current government.

Ramirez also stated that Sanguinetti is his rival. The official candidate stressed that Julio Maria Sanguinetti, his Colorado Party contender, will be his rival in the November elections. He also lauded Argentine President Carlos Menem.

On 18 October the candidate participated in the program "Lunching with Mirta Legrand," which is aired every noon over television in Buenos Aires. During a portion of that program, he repeated that Julio Maria Sanguinetti is his rival.

Another opinion poll indicates that the Broad Front is leading in Montevideo, followed by the Colorado Party.

It has been learned in political circles that the Factum Consulting Enterprise has issued its "Daily [word indistinct]," which indicates that there is a firm stability in the political ranking [preceding word in English] in Montevideo. The Broad Front leads, followed by the Colorado Party, and in third place, four points behind the leader, is the National Party.

The "Daily [word indistinct]," which Factum prepares exclusively for one of the main presidential candidates, is a new type of public opinion poll that has been carried out for the first time in the country, and its objective is registering the oscillations of public opinion trends, in other words, acting as a kind of seismograph of the electoral behavior of the public.

National Party's Increasing Popularity Reported

PY1910204894

[FBIS Editorial Report] Montevideo BRECHA in Spanish on 7 October publishes on pages 3 and 4 a 2,300-word article by Marcelo Pereira entitled: "Now We Must Choose Seriously."

In the article Pereira cites a recent survey conducted by the polling company Cifra showing that if the elections were held today, the National Party and the Colorado Party would end up in a virtual tie for first place, with 28 percent and 29 percent of the preferences respectively. In the survey Progressive Encounter was in third place, with 24 percent.

Pereira notes that the preference for the Colorado Party seemed "overwhelming" only six months ago, but that support "has been gradually dropping since the middle of the year, while support for the National Party has been growing and support for Progressive Encounter remains stable."

Pereira analyzes the situation, saying that one of the reasons for Sanguinetti's early lead was that for "over four years he was the only presidential hopeful." The author adds that the Broad Front until a short time ago was still undecided whether Tavare Vazquez or Danilo Astori would be their presidential candidate, and there was total doubt as to who would represent the National Party in the elections.

Pereira says that other reasons for the Colorado Party's decreasing popularity are Julio Maria Sanguinetti's coalition with Hugo Batalla, which did not sit well with many supporters, and former Colorado Party presidential candidate Jorge Batlle's continued criticism of the alliance.

Pereira says that in the National Party, Alberto Volonte's split with Luis Alberto Lacalle's administration and his candidate Juan Andres Ramirez ended up strengthening the party, because it gave National Party supporters an option between continuity and continuity with change, and permitted an attack on Sanguinetti from various angles. Pereira says that President Lacalle's continuous presence in the interior "inaugurating works of national interest" also contributed to improving the National Party's chances.

Pereira notes that a final push was given by economic factors announced by the economy minister in the past but which are only now starting to show, such as the consolidation of the Common Market of the South, Mercosur, and the new Mortgage Bank line of credit. Finally, Pereira says that undecided voters are leaning heavily toward the National Party and not Progressive Encounter, as had been previously expected.

Public Deficit Rises to 2.7 Percent of GDP

PY1910193394 Montevideo EL OBSERVADOR ECONOMICO in Spanish 8 Oct 94 p 12

[FBIS Translated Text] A report released on 7 October by the Central Bank shows the public sector again

registered a deficit in July. It totaled \$72 million, while the accumulated deficit of the first 7 months of 1994 totals \$203 million.

Public accounts have been deteriorating since August 1993. In July it represented 2.7 percent of the annual GDP (\$403 million).

The failure to comply with fiscal goals was one of the points criticized by the IMF during a meeting between the economic team and the IMF in Madrid last week.

The most serious fiscal problems are to be found in the central government, due to the slow growth in revenues and to a heavy increase of public expenditure—mainly in the social security and investment areas.

The central government showed a \$107 million deficit during the first 7 months of the year, while the deficit of public enterprises, mayoralities, and other decentralized organizations totaled \$41.1 million during the same period.

In 1993 these organizations registered a surplus of \$99 million and thus compensated the central government's \$19 million deficit.

The deficit of state-run autonomous enterprises totaled \$54.3 million due to the Central Bank's \$52.3 million deficit plus the other state bank deficits that totaled \$2 million.

The economic team projects a deficit in excess of 2 percent of the 1994 GDP, based on the figures submitted to the IMF in Madrid.

Venezuela

Minister Denies Moratorium on Payment of Debt

PA2210201294 Mexico City NOTIMEX in Spanish
2158 GMT 21 Oct 94

[FBIS Translated Text] Caracas, 21 Oct (NOTIMEX)—Werner Corrales, the minister of the Central Office of Coordination and Planning (Cordiplan) of Venezuela, denied today that his government is going to declare a moratorium on the payment of its foreign debt, which amounts to approximately \$26 billion.

"It is one thing for the government to be late in its payments and another for it not to comply," the official clarified and added that the country will pay every last creditor.

Corrales denied local press reports according to which the local government is facing serious problems in paying of its debts due to the difficult situation in the country's public finances.

On his part, Deputy Finance Minister Xavier Grisanti reported that although "there are delays, we have been putting our finances in order," and he guaranteed the government's solvency.

According to official figures, approximately 34 percent of the government's annual budget is assigned to the payment of the foreign debt, "caused by Venezuela's inefficient expenditures during the past 20 years."

The official, who was at the Presidential Palace, reiterated that they would "strictly" comply with the payments of the debt incurred with the issuance of bonds, quoted in dollars, that were placed in the foreign market.

Between May and June, the Venezuelan currency (the bolivar) suffered a devaluation of almost 50 percent with respect to the dollar; a situation that has worsened the state of the public finances considerably.

According to the Stability and Economic Recovery Program that the government has implemented, the accumulated inflation rate will be 65 percent at the end of this year and 25 percent in 1995.

Protesting Students in Maracaibo Burn Bus

PA2010143994 Caracas Union Radio Network in Spanish 2200 GMT 19 Oct 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] Maracaibo—Students from the Zulia University's School of Engineering have been fostering violence and disturbances. These disorders concluded with the burning of a private bus. Here are statements by Jesus Mendez, the bus driver:

[Begin recording] [Mendez] I believe the demonstration was over fares. They ordered me to get out of the bus. When I was taken out...[pauses] They threw gasoline on me while I was inside; I had to get out [words indistinct]. Then they took me to the back and knifed me; they grabbed me....

[Unidentified reporter, interrupting] How many were there?

[Mendez] I can't say; there were several. [end recording]

Immediately thereafter the National Guard cordoned off the area. Further disturbances of the public order did not occur along the lake's eastern coast. Maracaibo remained calm throughout the day; students did not stage further demonstrations.

Defense Minister on Violent Incidents

PA2110193694 Caracas EL UNIVERSAL in Spanish
19 Oct 94 p 1-12

[Report by Berenice Gomez Velasquez]

[FBIS Translated Text] No one wants trouble in Venezuela. This is stated by the nation and the FAN [National Armed Forces]. We will certainly not allow trouble in the country, stated Defense Minister Division General Rafael Montero Revette, following a courtesy visit to the Chamber of Deputies' Permanent Defense Committee.

[Gomez] What have you done about yesterday's student riots?

[Montero] We are currently talking with different groups and organizations. President Caldera even talked with the UCV [Central University of Venezuela] rector and with the MTC [Transportation and Communications Ministry] to have them meet with the Center Federations and prevent those problems that obstruct the country's education process and provoke violence rather than the peace and safety all Venezuelans want.

The deputies, who were not questioning the minister, talked with him about various issues, including the status of the trial on alleged irregularities in the Army's Air Support Command, which was under Brigadier General Gonzalo Vargas Ortiz's command when the alleged irregularities occurred. Brig. Gen. Vargas was forbidden to leave the country by a magistrate in charge of the trial; his assets were seized, but he now has a high-ranking post in the Defense Ministry.

[Montero] I explained that I cannot comment on this or give a statement, because a military judge is in charge of the case. We must wait until a ruling is issued. The commission has the reports and it has questioned various officers.

[Gomez] Did they ask you why Brig. Gen. Vargas Ortiz was given a high-ranking post even though he was being investigated for the alleged irregularities?

[Montero] Yes, he is currently the Defense Ministry's chief of planning. What happened is that the general's appointment occurred in February, but the case and all the evidence reached the Defense Ministry in May. We must wait, as we are doing now, until the military court investigation concludes.

[Gomez] What is your opinion about the CSJ [Supreme Court of Justice] ruling that there are sufficient grounds to conduct a preliminary hearing for Radical Cause Deputies Pablo Medina and Freddy Gutierrez?

[Montero] I did not know about the ruling. I will not answer because I know nothing about the ruling...but if it is a ruling issued by the CSJ, the highest court in the country, it is assumed the reports must be true.

[Gomez] Minister, what happened in Valencia? There is talk about common criminals' actions in connection with the burning of various vehicles. What is the information you have?

[Montero] In regard to this, I can assure you we are currently conducting an investigation. It is apparently an internal problem in the state. The Disip [Directorate of Intelligence and Prevention Services] and the MRI [Ministry of Interior] are investigating the case. We will wait until the investigations conclude to issue a report.

[Gomez] And the cars burned in Caracas?

[Montero] There have been problems; also in Maracaibo. That is precisely what we want to prevent, meaning prevent the continued outbreaks of violence in the country. Frequently, outbreaks of violence are not carried out in a coordinated manner. The right to protest prevails in Venezuela...but this does not mean violent protests will be allowed.

He reported that the Avila Plan will be implemented if the policemen cannot control public order disruptions.

[Gomez] Does the FAN intend to assume control?

[Montero] The National Guard [GN] will step in if the police cannot control the situation. If the National Guard cannot control the situation, the civilian authorities will request in writing the FAN's participation.

[Gomez] Do you insist that subversives and corrupt bankers are behind all these violent incidents?

[Montero] There are violent actions, rather than subversion; they are isolated events that occur in various areas, and we must prevent them. Three persons were shot during the UCV incidents. The shots were fired from the UCV at a bus driver who refused to stop so his bus would not be burned...at least three passengers were hit by the shots. These are the types of incidents we want to prevent.

[Gomez] Is a colonel under arrest due to a false report about a bomb at the National Congress?

[Montero] No colonel has been arrested for that. There was a telephone call reporting a bomb. Those are rumors, like in the past, that seek to terrorize the congressmen.

[Gomez] Will Venezuela rent or purchase two frigates from the United States?

[Montero] That is not true. The United States offered those frigates. A commission was sent to see them and it rejected them due to logistic problems. We have not rented them. We will not buy those frigates.

[Gomez] Will you rescind the contract for the AMX-30s?

[Montero] No. The case is being investigated by a military court. We must let the legal system follow its course.

[Gomez] Will you use the Navy's craft to complement the CAVN's [Venezuelan Shipping Company, Inc.] commercial activities?

[Montero] We are waiting for the results of a meeting between the FIV [Venezuelan Investment Fund] and the CAVN to decide on the company's actions. There is no decision in this regard, but we are using the Navy to support all the Caribbean countries, using craft to carry materials to those islands and to patrol the sea. We are Caribbeans.

[Gomez] What do you know about the young men killed on the central regional highway, which apparently involves a GN subaltern officer's participation?

[Montero] Two GN members, but no officers, are apparently involved in that case. They have been turned over to the PTJ [Technical Judicial Police] and we have nothing to do with the case.

Discloses Latest Information

PA2210220294 Caracas Union Radio Network in Spanish 2200 GMT 21 Oct 94

[From the "Union Radio News"]

[FBIS Translated Text] The Venezuelan defense minister, General Rafael Angel Montero Revette, went to Congress yesterday and said confidential information about the latest incidents of violence is being processed. He also said the four officers who were discharged from the Armed Forces and members of the 200 Bolivarian Revolutionary Movement, led by Hugo Chavez, were summoned to the Directorate of Military Intelligence [DIM] to explain a series of rumors, particularly those in connection with the incidents that disturbed the calmness of the country during the last few weeks. Therefore, Hugo Chavez's accusations that these officers are missing are groundless. The defense minister said those individuals are at the DIM now and are being questioned.

Interior Minister Remarks on Security

PA2310024194 Caracas Venezolana de Television Network in Spanish 1030 GMT 20 Oct 94

[Interview with Interior Minister Ramon Escovar Salom by Carlos Fernandez at the network studio in Caracas; from the "24 Hours" program—live or recorded]

[FBIS Translated Excerpt] [Fernandez] We will begin today's program with an interview with Interior Minister Ramon Escovar Salom. The interview will deal with issues that have been discussed during the past few days concerning safety, and the various proposals made by the government and Congress. I believe it would be worthwhile to summarize at this time everything that has developed so far so as to have an idea about what President Caldera's administration expects to do to confront the lack of security. What is going to be done to procure the necessary funds to confront all the obstacles to individual safety? This question is the first in our conversation with Ramon Escovar Salom. Welcome.

[Escovar] Thank you very much. First of all, I would like to say I am pleased the security issue has finally reached a point where I wanted it to reach. Despite the fact that I, as interior minister, have constantly insisted since this administration came to office that this issue was one of the country's biggest problems, it is only now that the political structures and the people are finally convinced this issue is certainly the country's foremost problem.

We have three serious points here. The most difficult triangle in every citizen's life is composed by insecurity, inflation, and unemployment. Naturally, one has to be alive in order to be unemployed, but it would seem that human life is very cheap in Venezuela, because the country is severely threatened. This point has been acknowledged, and the Mercanalis poll published in today's edition of EL UNIVERSAL and other polls that have also been published are quite eloquent in this regard.

[Fernandez] I have noticed the most conspicuous position in the poll is occupied by criminal activity, followed by [word indistinct], and the people's concern.

[Escovar] Exactly. That reference is very significant, but even without the poll it is possible to conclude what is taking place, most of all in urban areas of Caracas and the center of the Republic, by simply talking to the people. It is the same throughout the entire country, but it is more critical here in the Caracas area.

It is possible now for the first time to come to the following conclusion. First, this is an issue pertaining to the government as a whole, not one specific minister. This issue concerns every governor in his respective jurisdictions, as well as all mayors. It was clearly determined during the last governors convention that took place two months ago that every governor is responsible for the security in his respective region.

[Fernandez] Was there a unanimous agreement on this point?

[Escovar] There was a unanimous agreement on this issue. The same thing occurred during the National Mayor's Council, which was an unprecedented event in Venezuela. This was one of the most significant events that has taken place in Venezuela. The mayors are very motivated. Incidentally, I believe the country's great institutional revolution must consist of providing more opportunities to the country's mayors and municipalities, another important step.

Congress, regardless of the political positions adopted by each representative, is willing to support the government's request to increase the budget. It is impossible to carry out what we have to do without the appropriate budget. We are confronting a national emergency. In this respect, one of the emergencies is that funds are insufficient to confront violence and criminal activity. The other critical element is that crime and violence are becoming generalized for the first time. We are not analyzing crime in an isolated manner, but within the context of violence. We must keep in mind that violence is something more wide-ranging than crime. Crime is a part of violence. I participated in a forum on violence last week. It was the first time an interior minister participated in such an event to discuss these issues....

[Fernandez, interrupting] This event had great repercussions.

[Escovar] The event was especially significant, because the issue of violence was discussed from several perspectives instead of a single point of view as we have normally done. We have always believed in Venezuela that the only way to handle crime and violence is through autocratic measures. We never stopped to consider other elements that are part of the struggle against violence, such as prevention and the participation of civilian society.

[Fernandez] Nevertheless, even though the problem of violence may have several angles, there is another important element. The people want initiatives to be taken to deal with the core of the problems. Such initiatives, although incidental, should hit hard the problems of insecurity, particularly in the lower income bracket.

[Escovar] It is possible to be energetic and dynamic but...[pauses] There are two ways in which we can handle the social conflict. The traditional way of doing it has always been through authoritarian means, a dictatorship. The other means has been a sort of anesthesia, either local or general, though funds originating from crude oil revenues. Anytime a conflict would break out, the state's pockets would rapidly solve the situation. In this respect we can mention conflicts such as the university, the teachers, and the nurses conflict.

State funds would always be available to solve the problem. Crude oil would supply the funds. We do not have resources nowadays to anesthetize social conflicts, and thus what we have is that the conflicts are breaking out with tremendous force. The state has two options under these circumstances: either through authoritarian and dictatorial measures, which has failed throughout Latin America, or through learning to handle the social conflict through democratic means. This point is where we are at this time. We are trying to learn to do it democratically without losing authority, and this point is very important.

[Fernandez] I can imagine how difficult it is to handle with so little money such a situation, particularly the permanent social conflict, which is there, latent, at all times. It has fallen to the present government to handle this situation for our country's history and to do it amid burdens, potential, and the stimuli provided by specific factors. All this is very difficult.

[Escovar] All this is very difficult. One of the wrong ideas that has been corrected recently is that the government minister could resolve the problem and the conflict all by himself with a magic wand without the participation of the other state institutions; in other words, governors, mayors, and the other authorities would stay at home while the government minister threw a magic switch and resolved the problem. Another wrong idea was that the Government Ministry was the ministry of the police. True, the Government Ministry is part of the security system, but the government minister is not the one who prevents an assault at the corner of the street. This function is one of another organization. The Council of

Ministers discussed this matter yesterday. I believe the situation has been placed under the true perspective for the first time. I believe the steps to be taken will not necessarily resolve the situation immediately but will deal with the problem of violence in a much firmer way; this point is very important.

There are other factors involved, however. Some people dream of a revolution in this country; they believe the only way to change the country and the present situation is to create a large-scale social conflict and light a large collective bonfire. We had such an experience during the 1859-1864 federal revolution. We suffered a large death toll, bigger than the one that took place during the independence, a collective butchering. For what?

Another instance is the Salvadoran war in Central America. What has been gained with violence and butchering? Unfortunately, there are people, active minorities who believe this is the country's true course. This point is what I have described as *de facto* solutions, a tropical fantasy, something that must be removed from the mind. No one is denying there are disturbing factors, hunger and misery, and a water shortage. The water shortage problem is extremely serious in Venezuela as is the collapse of public services; we know all that point, but it is absurd to conclude the only way to handle these problems is through a collective bonfire. The present government is able to share the burden of its immense, historic responsibility with the other sectors in the country. For this point, it is necessary to talk and reach an understanding with the various sectors, political or otherwise.

[Fernandez] It would be possible to draw certain conclusions from the government's follow-up of the positions and actions of the political sectors, such as COPEI [Social Christian Party], AD [Democratic Action Party], MAS [Movement for Socialism], Radical Cause, etc., and the position of the 200 Revolutionary Movement. What do you think about Commander Chavez's proposal, which he has been advancing for some time? He has many fears and doubts and somehow casts uncertainty on the future of President Caldera's government.

[Escovar] Commander Chavez could make an important contribution to Venezuela's life. I must say I appreciate Chavez personally. He phoned me yesterday, but I was at the Ministers Council and could not talk with him; instead, the deputy minister talked with him. I will call him today, however.

I hope he is willing to talk with me one of these days. I would like to tell him some things in private. He could play an important role in the country's democratic life. Unfortunately, he has assumed a position which does not lead to this and which could aggravate the conflict, even if he does not intend it to, with no future in sight through what I call the tropical fantasy. It is crazy to think a revolution, the people up in arms, the dream of a federal war, is the solution. If he believes this dream, he is wrong, because he will face a country that opposes

violence. The people are very upset with the situation, very dissatisfied with the economic precariousness. People want security and order at the same time. The people want to be able to go out into the street in peace. No ideal or political program that threatens the people's calmness will have a future or enjoy support from the Venezuelan people's collective awareness.

[Fernandez] Chavez's position perhaps could be contrasted with the position of Commander Arias Cardenas. This aspect is another political one.

[Escovar] Several differences are present. Arias is very spontaneous. The two men are valuable, but each of them has his own way of seeing things. I believe Commander Arias is able to analyze things much more broadly than Chavez. I wish they could understand the situation. Chavez does not give the impression so far of understanding what is truly going on in the country.

[Fernandez] Commander Arias has been more (?inclined) to President Caldera's government.

[Escovar] Who?

[Fernandez] Commander Chavez.

[Escovar] Yes, yes, but he is speaking the wrong way. Look, I am convinced of the need for an effort of national unity, and I mean in every area. I had an understanding with then Defense Minister Admiral Munoz when I was prosecutor general. I never had problems with him. Once, the ministry people did not want to let in certain judiciary officials in certain military installations. I sent them a note saying the officials had to go in, because they represented the law and the Constitution. Admiral Munoz was willing, and we cleared several points, some of them very delicate. We understood each other very well. Personally, I appreciate him. I believe this climate of understanding with all sectors should be stimulated. For instance, businessmen are very nervous. I believe we should talk with them. We should offer them economic and juridical security.

[Fernandez] There are certain things, however, that sometimes help sow skepticism and fear.

[Escovar] Yes.

[Fernandez] For example, the situation of the foreign exchange control system and the price control system.

[Escovar] Yes, of course. There are several factors....

[Fernandez, interrupting] Why don't those international capitals come even though investors are being invited to invest here?

[Escovar] There are, undoubtedly, factors that increase the discontent, mistrust, and uncertainty. We are facing uncertain times, and the government must obviously strive to discreetly handle this uncertainty, to reduce it to a maximum, and there is no other way to do so but through a dialogue. The government is striving to take

this step, to talk things over, to seek the way to handle the conflict in the most peaceful and less traumatic way possible.

There is a very important thing, however. Essential changes must be made in Venezuela. We could not think about relinquishing the chance to make certain modifications for the sake of reaching a peaceful settlement to the conflict. For example, the reforms to the Constitution are necessary. The issue of the judicial branch must be analyzed in depth. [passage omitted]

[Fernandez] Regarding the groups opposing the Caldera administration and sponsoring a campaign against you on a personal level, are they in agreement with the bankers who left the country and took their money with them?

[Escovar] There are, possibly, certain coincidences. There is a new game in the country. There are new groups involved. They move in one direction or another, but the important thing is that the guidelines of the political game should strengthen the democratic system and prevent a collapse of our institutions. What we must do is prevent the crisis from worsening any further. I am personally willing to do all that is necessary to achieve a reconciliation and to create an atmosphere of harmony with all the groups in the country. I believe that point is essential. The important thing is not to allow hate to prevail. There is much of that in Venezuela.

[Fernandez] Yes, of course.

[Escovar] It is explainable in certain cases, not justifiable but certainly explainable, given the resentment provoked by poverty. The critical thing that has occurred in Venezuela is not the poverty we are facing; it is impoverishment, which is more critical than poverty, because we have returned to the lifestyles of 1950. The real income per person nowadays is the same one we had in 1950—44 years ago! [passage omitted]

[Fernandez] A question from Valle. Are there or are there not clear cases of subversion? Please say whether it is one thing or the other.

[Escovar] Neither one nor the other. [laughs] What I mean is that, obviously, certain people are thinking about subversion. I have never denied this issue. I have been criticized for what I have said about the tropical fantasy. Perhaps I did not explain myself well, or perhaps certain people did not get the essence of the matter. No one has denied this point exists. What I have said is that this point is not enough to provoke the civil war which certain people want to provoke. No one is saying there are no subversive factors; of course there are, but they cannot be exaggerated. For example, what recently occurred in Valencia.

[Fernandez] The burned cars.

[Escovar] I disagreed with the governor. I contested what the governor said. I immediately said it was the opposite,

and it has been proved that what I said is true, and the governor personally had to admit it. This event was not a political one, a political incident; it was an incident provoked by criminals who burned....[pauses] It did not involve criminals as we know them. It was a rivalry, as far as we know—the investigation has not ended—but it was strictly a local problem. It could have been provoked by criminals. Someone has said in a newspaper that criminals could not have burned the cars, because they steal them. There are many ways of doing things, because there are rivalries and wars among the groups, the mafias.

[Fernandez] Yes.

[Escovar] That can provoke a situation such as the one that occurred in Valencia. What has occurred in Valencia is a local event. I said this since the beginning, and it has been admitted by the governor. The people of Valencia, including the mayor, have admitted it was not a political incident as some had reported. What occurred in Maracaibo was not what was published or said. What occurred in Maracaibo was a classic episode involving students who burn an automobile and break some store windows. The reports have stated: Looting in Maracaibo! A social rebellion occurs in Maracaibo! I had just talked with the governor when I heard a radio station report that a social rebellion had occurred in Maracaibo. I said: What is this? I just talked with the governor! It is not true. Some news is exaggerated.

Incidentally, the media have a great responsibility in this regard. This is a democratic country with freedom of expression and freedom of information, obviously, but we must be very careful with certain reports, because adrenaline is added to the crisis, accelerating the psychological process of agitation in which a Venezuelan lives by bombarding him with news which is frequently unconfirmed, which is untrue. We live in a tremendous, nervous crisis.

[Fernandez] That is right.

[Escovar] I believe an effort must be exerted in that concern to control the imagination. We must control the imagination.

Executive Branch Requests More Security Funding

PA2010171294 Caracas EL GLOBO in Spanish 19 Oct 94
p 3

[Report by Judith Martorelli]

[FBIS Translated Text] Representatives of the executive branch met yesterday with congressional spokesmen to request a modification of the 1995 budget's security funding. The meeting was called by the Security Cabinet, headed up by Interior Minister Ramon Escovar Salom, who said that Venezuela is facing a national security emergency, "an opinion that has been formed in the past few days."

Word has spread that the executive will request the inclusion in the budget bill of an additional 100 billion bolivares for security; the money will be used to create an emergency fund. Although he did not release complete figures, the interior minister admitted that he hopes a higher percentage than the planned 1.93 percent of the 1995 budget will be allotted to security.

With available resources it is impossible for the state to deal with growing criminality, Escovar Salom said, adding that the security institutions are somewhere between shortage and total destitution.

Escovar Salom characterized yesterday's meeting as "unprecedented." It was attended by Pompeyo Marquez, social programs minister; Andres Caldera, secretariat of the presidency minister; Asdrubal Aguiar, governor of Caracas; Rafael Angel Montero Revette, minister of defense; police coordinators; and representatives of Congress' Finance Subcommittee.

According to Ramon Escovar Salom, legislators representing the various parties viewed security as a priority, which gives an idea of the seriousness of the situation.

At a meeting scheduled for Thursday, the executive will formally submit its request, including the increase, to congressional representatives. Deputy Henry Bencid explained that the security deficit has reached 100 billion bolivares.

According to Bencid, the executive should modify the budget entries internally, cutting some of them to increase the allotment for security.

Bencid wondered where the resources will come from to increase the security budget, adding that not even the national budget increase of 500 billion bolivares would answer that question.

According to the executive's estimates, the 1995 budget will total 2.8 trillion bolivares, 500 billion bolivares more than planned, and will be distributed as follows: 300 billion for debt payments, 100 billion for the Constitutional Allotment [Situado Constitucional], and 100 billion more for payment of contractual debts.

Congress Seeking Increased Security Funds

PA2110001594 Caracas Union Radio Network in Spanish 2200 GMT 19 Oct 94

[From the "Union Radio New" newscast]

[FBIS Translated Text] There is a consensus in the National Congress to increase the security budget, but it is still not clear where the resources will come from.

Senate Finance Committee President Bernardo Celis, one of the first legislators to speak on the subject, said he sees only two ways to increase the security budget; either reallocating or increasing revenues.

[Begin Celis recording] We should investigate other areas of the budget to see if we can postpone some

investments planned for 1995 in order to transfer the funds to the security budget. Security is a top priority for all Venezuelans. [end recording]

Senator Haydee Castillo de Lopez wants to know where the government will get the resources for this increase.

[Being Castillo recording] This is one of the questions we asked the deputy minister. If they do not have the resources to pay the debt, if they do not have the resources to [words indistinct], where are they going to get the funds to double the security budget? [end recording]

Deputy Finance Minister Luis Javier Grisanti assured that various alternatives are being studied to obtain the resources.

[Begin Grisanti recording] There is a possibility of a slight increase in fiscal revenues in the petroleum sector and in nonpetroleum fiscal revenues. There is also the possibility that in the governors' and infrastructure offices' process of setting priorities and revising the budget, certain adjustments can be made. [end recording]

What is certain, however, is that the government must find a solution as soon as possible if it wants to increase the security budget, because Congress must approve the 1995 budget before 30 November or it will be extended.

Caldera Issues Warning to Bolivarian Movement's Chavez

PA2310010494 Paris AFP in Spanish 2351 GMT 21 Oct 94

[FBIS Translated Text] Caracas, 21 Oct (AFP)—Today, Venezuelan President Rafael Caldera warned Hugo Chavez, who has accused the government of trying to destroy his Revolutionary Bolivarian Movement (MBR), that "he who wants to inflict harm must understand that harm is not inflicted by those who want to inflict it but by those who have the power to do so."

When he reported the Directorate of Military Intelligence's arrest of six retired officers who are MBR members, Chavez challenged Defense Minister General Rafael Montero Revette yesterday to begin court martial proceedings against him, and he challenged Caldera to imprison him "to see who lasts longer: Caldera in Miraflores or I in any jail cell in Venezuela."

In his reply during his speech to the convention of the Movement Toward Socialism (MAS), his ally in the December 1993 elections, Caldera said: "We are not going to allow the Armed Forces to become a center for disturbances, conflicts, political disagreements, partisan-ship."

"Regarding Mr. Hugo Chavez, I must say it seems he sometimes feels nostalgia for Yare Prison," Caldera added. Chavez was held in that prison located in the hot Tuy Valley near Caracas. He was imprisoned with the four other Armed Forces commanders with whom he led

the military uprising against former Social Democratic President Carlos Andres Perez on 4 February 1992.

"He should not worry. He has all the rights every citizen has as long as he remains in the arena of political action. We do not believe he wants to provoke actions of such a nature that would force the government, albeit unwillingly, to set the punishments the laws establish."

"I really believe he who wants to inflict harm must understand that harm is not inflicted by those who want to inflict it but by those who have the power to do so," Caldera said.

Caldera, who took office in February, issued an amnesty to benefit those who participated in the two military uprisings in 1992 (the other rebellion took place on 27 November), implementing a policy of retirements in exchange for the pardon.

Speaking forcefully, Caldera warned "we are not going to permit two things (...): We are not going to permit the country being taken over by violence. We are going to face the outbreaks of violence. We respect peaceful demonstrations; we respect the struggle of ideas; we respect all fair criticism, but we will not tolerate violence taking a hold of Venezuela."

"Our fundamental duty is to prevent this country from again falling into the bonfires that consumed it in the past," he added.

He was referring to the recent looting in the oil-producing city of Maracaibo, the burning of a dozen vehicles in the industrial city of Valencia, and yesterday's clashes between university students and bus drivers in the bedroom community of Los Teques, 20 km west of Caracas.

The defense minister confirmed the six retired officers who are MBR members were "summoned" because they are officially being investigated by military intelligence regarding the violent incidents.

At approximately 1800 (2200 GMT), a group of MBR supporters rode in an automobile along Urdanta Avenue, where Miraflores Presidential Palace is located, and they shouted slogans using a loudspeaker in support of Chavez.

Chavez Denounces Plot To 'Annihilate' MBR-200

PA2210183794 Caracas EL NACIONAL in Spanish
21 Oct 94 p d-1

[Article by Luisana Colomine]

[FBIS Translated Text] Former Commander Hugo Chavez Frias yesterday denounced new arrests of members of the 200 Revolutionary Bolivarian Movement [MBR-200] at the Attorney General's Office, which he visited in the company of a large group of relatives of the arrested.

They are Lieutenant Colonels Efrain Rondon Garcia, who was arrested in Puerto Cabello, and Jose Gregorio Zambrano Otten, arrested in San Cristobal. Chavez claimed that both of them were forcefully taken out of their homes amid a large-scale military display "by people carrying war weapons who claimed to be DIM [Directorate of Military Intelligence] members" on the evening of 18 October, after the report of the disappearance of four other military men who participated in the 4 February 1992 military coup attempt.

After unsuccessful attempts to determine the whereabouts of the detained, former Commander Chavez contacted Deputy Interior Minister Raul Dominguez by phone, and he finally confirmed that Lt. Col. Luis Pirela Romero, Captain Rigoberto Lopez, and Mayors Gustavo Perez Izza and Edgar Lugo Lopez were being held at DIM installations.

Dominguez advised Chavez to go to the defense minister, but the former commander termed the suggestion "naive," because "to those people I am sentenced to death."

The detained military men are incommunicado. This was denounced by their relatives who blamed Defense Minister Rafael Montero Revette. They did not rule out street mobilizations and public protests outside DIM installations.

Hugo Chavez Frias arrived at the Attorney General's Office at 1500, and apparently, they were not expecting his visit; at least he was not listed in the appointment log. After having a tough time on several floors, the former commander was greeted by Human Rights Director Father Luis Maria Olasso, Regional Public Relations Director Miriam Rosales, and lawyer Evelyn Colmeiter.

In the presence of the relatives, Chavez told journalists that the detention of MBR-200 members is part of a plan to annihilate the organization, a plan "plotted by the current military high command, which is committed to corruption and revolts."

The former military man, who was wearing an olive green uniform, again challenged the Defense Ministry to open a military trial and asked President Caldera to "arrest me because my friends are already under arrest, but I would bet on who will last longer: He at Miraflores Palace or I at a Venezuelan prison."

Chavez said that the president of the Republic is at the head of an "explosive military policy" and added that "he who refused to meet with the imprisoned officers, who had requested an audience during the first months of his government, is not fit to serve as FAN [National Armed Forces] commander in chief."

Chavez said that the Supreme Court of Justice's announcement that it found enough cause to try Deputy Pablo Medina is another form of harassment.

He pointed out that inside the FAN there is still "an old authoritarian and corrupt generation" that provoked two rebellions "and, hopefully, they will not lead us to another one."

Father Olasso promised to help. Prosecutors will be tasked with visiting DIM basements to verify that the detained are safe. The priest said that the right to life and the right not to be treated in an arbitrary manner is still in force although guarantees were suspended.

Public Reaction to Price Controls Noted

95P20040A Caracas *EL UNIVERSAL* in Spanish
24 Sep 94 p 4 Section 2

[FBIS Translated Excerpt] In spite of the satisfaction expressed by the public about the price control measures and the exchange controls, the numbers show that these measures generate only that—psychological effects—since almost all the items in the basic food basket have increased by up to 142 percent. Meanwhile, the wage increase this year, taking the basic wage as the model, is nominally equal to that of the past five years, but in percentage terms it is lower than the increase in the food basket.

In spite of this numerical reality, the public now complains less than before, according to statements by owners of food stores and supermarkets. What they are most concerned about is that "the items are regulated at the level of the consuming public, but the wholesalers and suppliers are charging us more and more for the items." [passage omitted]

Asked "how sales are going" the common answer was that "they have improved." But this answer is in comparison with sales in the initial months of the year. Compared to this same time last year, the answer was that "they have dropped, noticeably."

Fernando Freitas, manager of Central Madeirense of San Jose, said that "this month sales normally drop as a result of the school vacations, but in comparison with the volume we were selling last year, this year we are selling less." However, Jose Manuel Laya, manager of a small food store in San Luis, asserted that "sales have been recovering." Nevertheless, he complained about the profit margins, which are getting smaller all the time. [passage omitted]

Jose Manuel Laya also added that sometimes there are problems with the supply of some of the regulated products. "About two weeks ago we were not getting rice and we sometimes have problems with powdered milk. Right now everything is normal, but there are times when this is not so."

Price Controls Affect Poultry Industry

95P20041A Caracas *EL UNIVERSAL* in Spanish
19 Sep 94 p 8 Section 2

[By Alberto de la Cruz]

[FBIS Translated Text] The nation's poultry industry faces serious risks of decapitalization given price controls, inflation, and a drop in demand, Domingo Francisco, president of the National Federation of Poultry Farmers (Fenavi), has announced. He proposed a strategic alliance with the agricultural producers.

Francisco stated that the official elimination of the tariff surcharge for yellow corn does not benefit the farmers but it does prevent the balanced feed industry from continuing to show losses and prevents a possible halt in its production. "Given this situation, Fenavi proposes to the National Federation of Agricultural-Livestock Producers (Fedeagro) formulas for sectoral accords and strategic alliances that will ensure the stability of the economic sectors involved, based on profitable and competitive production aimed at having a prominent presence inside and outside the domestic market."

He stated that the decision of the balanced feed manufacturers to import yellow corn and soybeans without the tariff surcharge is due to the deficiencies in domestic production of sorghum. He therefore urged the farmers to try to improve their yields, increase production, and "avoid making the country allocate hard currency for costly imports that end up benefitting the agricultural producers of other countries."

"Domestic poultry farming, today subject to a price control regime for its end products—chicken and eggs—faces serious risks of decapitalization, among other reasons because inflation and drops in demand have become determining factors in its cost structure. And if to this we add having to buy balanced feed that is affected by the costs of tariff protection that does not protect any domestic producers, the most likely consequence is the possibility of a general collapse."

He added that the statement by agricultural producers that eliminating a tariff surcharge will bring net benefits to the industry to the detriment of the Treasury and the consumers is not true. "What is true is that in part what the government is doing is creating conditions to prevent the collapse of poultry farming with its consequences for the supply of less expensive protein of animal origin for the populace's diet."

Mortgage Law Change Creates Floating Interest Rate

PA2010171694 Caracas Venezolana de Television
Network in Spanish 1600 GMT 19 Oct 94

[From "The News" newscast]

[FBIS Translated Text] The plenum of the Supreme Court has decided to suspend the effects of three articles in the modified version of the Mortgage Law. The suspension is based on the stipulation that financial institutions collect interest at a fixed rate of 19.5 percent. Now debtors will have to pay off their loans at current market rates.

In response to demands by 14 mortgage banks that Articles 3, 14, and 16 of the aforementioned law be nullified, it was established that interest rates will be set by current circumstances, not by the 19.5 percent established by law. But this decision may change in the event that the Supreme Court ultimately decides if the Mortgage Law is unconstitutional.

Suriname

'Mistrust' Seen Between Defense Minister, Army Chief

BR2010155294 Rotterdam NRC HANDELSBLAD in
Dutch 19 Oct 94 p 10

[Unattributed report: "President Venetiaan Denies Coup Rumor"]

[FBIS Translated Excerpt] [Passage omitted] Yesterday, speaking at a news conference about the unrest in the Army, Defense Minister Gilds said that he had doubts about the democratic inclinations of a number of unnamed senior officers. He sensed "trends" from the period of former Army Leader Desi Bouterse. For months now there has been talk of growing mistrust between Minister Gilds and Army Commander A. Gorre.

Gorre did not want to go into the statements made by Gilds. A new round of talks between the president, the defense minister, and the Army commander are to begin this week. In the past few days, Gorre has assured the president of the Army's loyalty to the democratic government.

For months now, those Army officers who have let it be known that they do not have confidence in Gilds, have been told not to talk about the poor equipment in all sections of the Armed Forces. The Netherlands is prepared to cough up some money, provided that Suriname restructures its Army and puts its "project files" on the table.

Gorre felt that, according to the Constitution, he is only operationally responsible to the president, who is the commander in chief of the Armed Forces. Gilds said that the Army should be operationally responsible to him, as the minister of defense. The presence of Christopher as the head of strategic planning at the ministry is a thorn in the side to many officers. Christopher is suspected of involvement in the murder of two bodyguards of former rebel leader Ronny Brunswijk. [passage omitted]

President Accused of 'Dictatorial Behavior'

BR2110150794 Amsterdam DE VOLKSKRANT in
Dutch 21 Oct 94 p 7

[Report by Linda Otter: "Surinamese President Accused of Dictatorial Behavior"]

[FBIS Translated Text] Surinamese opposition parties and social organizations are accusing President Venetiaan of dictatorial behavior and of exercising strong pressure on the Public Prosecutor's Office. They did so following a television broadcast on Wednesday [19 October] evening during which Venetiaan strongly criticized the Public Prosecutor's Office.

The president also strongly attacked Defense Minister Gilds, who gave a news conference about tension in the Army on Monday.

Venetiaan said he was "unpleasantly surprised" by the appeal which the Public Prosecutor has made against the verdict in the case of Ronnie Brunswijk, the former leader of the Jungle Commando. Last week a court condemned him to two months' prison for shooting a thief. After account was taken of his time in custody, Brunswijk was to be released today.

The president pointed out that "every organ has its powers, but they should not be used without considering what the consequences will be." "People should not do things without weighing them up," he said.

Speaking of Gilds, Venetiaan said he found it improper that he had organized a news conference without further consultation and then sharply criticized top officers and Army Chief Gorre. In particular the president was furious about Gilds' acknowledgement that there are still

soldiers in high positions in the Army who are not loyal to the democratic government.

Venetiaan said that the comments were completely incorrect. He said that the minister had created tension through the news conference.

Opposition members and social organizations say that the way Venetiaan is enforcing his power is completely unacceptable. "We are in danger of reverting to past situations," said F. Playfair, the Democratic Party's parliamentary leader, referring to the military dictatorship of the 1980's.

Playfair said he did not understand why Brunswijk was being screened. "The president must respect independent powers," he said.

Democratic Alternative '91 MP W. Jessurun said that Venetiaan wanted to make it clear that he made the rules in the government. "No minister can make a decision without the president's approval," Jessurun said, adding that Venetiaan's intervention was causing big delays in government decisionmaking.

I. de Miranda, the director of the human rights organization Moiwana 86, said that Venetiaan's speech was not a positive development. "I just hope that these were unfortunate comments by the president," he said.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain discredits, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.